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# LEGISLATIVE HISTORY

Public Law 268--79th Congress

Chapter 588--1st Session

H. R. 3749

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## DIGEST OF PUBLIC LAW 268

G I BILL OF RIGHTS AMENDMENTS. Increases to 10 years the time within which applications may be made for loans and provides, except for certain farm loans, that applications be approved by the Veterans' Administration. Limits amortization on real estate loans to 25 years, except farm realty, which will be 40 years. Eliminates the requirement for review of proposed regulations by the congressional committees. Increases to 4 years the time in which training courses may be initiated and allows 9 years for course completion. Provides for short, intensive post-graduate courses. Increases subsistence allowances during courses. Includes authority for correspondence courses. Eliminates certain security requirements for loans under the Act.



## INDEX AND SUMMARY OF HISTORY ON H. R. 3749

June 19, 1945	Hearings: House, H. R. 3749.
July 10, 1945	H. R. 3749 introduced by Mr. Rankin and referred to the Committee on World War Veterans' Legislation. Print of the bill as introduced.
July 17, 1945	House Committee reported H. R. 3749 with amendments. House Report 926. Print of the bill as reported.
July 18, 1945	Debated in House and passed as reported.
July 19, 1945	H. R. 3749 referred to Senate Committee on Finance. Print of the bill as referred to the Committee.
September 27, 1945	McFarland amendment.
October 8, 1945	Hearings: Senate, H. R. 3749.
November 6, 1945	Senate Committee reported H. R. 3749 with amendments. Senate Report 698. Print of the bill as reported.
November 8, 1945	Debated in Senate and passed with amendments. Print of the bill with the amendments of the Senate.
November 12, 1945	House disagreed to Senate amendments and asked for a Conference. House Conferees appointed.
November 14, 1945	Senate insisted on its amendments and asked for a Conference. Senate Conferees appointed.
November 28, 1945	Senate received and agreed to Conference Report. Senate insisted on its amendments and asked for further conference. Senate Conferees were appointed for further conference.
December 10, 1945	House received Conference Report and insisted on its disagreement to the amendment of the Senate and asked for further Conference. House Conferees appointed for further Conference. House Report 1345.
December 17, 1945	House received second Conference Report. House Report 1449.
December 19, 1945	House agreed to Conference Report. Senate received and agreed to Conference Report.
December 28, 1945	Approved. Public Law 268. Compilation of Public Law 346 - 78th Congress, as amended by Public Law 268 - 79th Congress.









79TH CONGRESS  
1ST SESSION

H. R. 3749

79TH CONGRESS  
1ST SESSION

H. R. 3749

## IN THE HOUSE OF REPRESENTATIVES

JULY 10, 1945

Mr. RANKIN introduced the following bill; which was referred to the Committee on World War Veterans' Legislation

# A BILL

To amend the Servicemen's Readjustment Act of 1944 to provide for a readjustment allowance for all veterans of World War II.

1        *Be it enacted by the Senate and House of Representa-*  
2        *tives of the United States of America in Congress assembled,*  
3        That Public Law 346, Seventy-eighth Congress, be amended  
4        to read as follows:

5 That this Act may be cited as the "Servicemen's Re-  
6 adjustment Act of 1945".

# TITLE I

## CHAPTER I—HOSPITALIZATION, CLAIMS, AND

## PROCEDURES

10 SEC. 100. The Veterans' Administration is hereby de-  
11 clared to be an essential war agency and entitled, second only

1 to the War and Navy Departments, to priorities in personnel,  
2 equipment, supplies, and material under any laws, Executive  
3 orders, and regulations pertaining to priorities, and in ap-  
4 pointments of personnel from civil-service registers the Ad-  
5 ministrator of Veterans' Affairs is hereby granted the same  
6 authority and discretion as the War and Navy Departments  
7 and the United States Public Health Service: *Provided*, That  
8 the provisions of this section as to priorities for materials shall  
9 apply to any State institution to be built for the care or hos-  
10 pitalization of veterans.

11 SEC. 101. The Administrator of Veterans' Affairs and  
12 the Federal Board of Hospitalization are hereby authorized  
13 and directed to expedite and complete the construction of  
14 additional hospital facilities for war veterans, and to enter  
15 into agreements and contracts for the use by or transfer to  
16 the Veterans' Administration of suitable Army and Navy  
17 hospitals after termination of hostilities in the present war  
18 or after such institutions are no longer needed by the armed  
19 services; and the Administrator of Veterans' Affairs is hereby  
20 authorized and directed to establish necessary regional offices,  
21 suboffices, branch offices, contact units, or other subordinate  
22 offices in centers of population where there is no Veterans'  
23 Administration facility, or where such a facility is not readily  
24 available or accessible: *Provided*, That there is hereby author-

1 ized to be appropriated the sum of \$500,000,000 for the con-  
2 struction of additional hospital facilities.

3 SEC. 102. The Administrator of Veterans' Affairs and  
4 the Secretary of War and Secretary of the Navy are hereby  
5 granted authority to enter into agreements and contracts for  
6 the mutual use or exchange of use of hospital and domiciliary  
7 facilities, and such supplies, equipment, and material as may  
8 be needed to operate properly such facilities, or for the trans-  
9 fer, without reimbursement of appropriations, of facilities, sup-  
10 plies, equipment, or material necessary and proper for author-  
11 ized care for veterans, except that at no time shall the Ad-  
12 ministrator of Veterans' Affairs enter into any agreement  
13 which will result in a permanent reduction of Veterans' Ad-  
14 ministration hospital and domiciliary beds below the number  
15 now established or approved, plus the estimated number re-  
16 quired to meet the load of eligibles under laws administered  
17 by the Veterans' Administration, or in any way subordinate  
18 or transfer the operation of the Veterans' Administration to  
19 any other agency of the Government.

20 Nothing in the Selective Training and Service Act of  
21 1940, as amended, or any other Act, shall be construed  
22 to prevent the transfer or detail of any commissioned, ap-  
23 pointed or enlisted personnel from the armed forces to the  
24 Veterans' Administration subject to agreements between the

1 Veterans' Affairs of paid full time accredited representatives  
2 of the veterans' organizations specified in section 200 of the  
3 Act of June 29, 1936 (Public Law Numbered 844, Seventy-  
4 fourth Congress), and other such national organizations rec-  
5 ognized by the Administrator of Veterans' Affairs thereunder  
6 in the presentation of claims under laws administered by the  
7 Veterans' Administration, the Secretary of War and Secre-  
8 tary of the Navy are hereby authorized and directed to permit  
9 the functioning, in accordance with regulations prescribed  
10 pursuant to subsection (b) of this section, of such accredited  
11 representatives in military or naval installations on shore from  
12 which persons are discharged or released from the active mili-  
13 tary or naval service: *Provided*, That nothing in this section  
14 shall operate to affect measures of military security now in  
15 effect or which may hereafter be placed in effect, nor to  
16 prejudice the right of the American Red Cross to recognition  
17 under existing statutes.

18 (b) The necessary regulations shall be promulgated by  
19 the Secretary of War and the Secretary of the Navy jointly  
20 with the Administrator of Veterans' Affairs to accomplish  
21 the purpose of this section, and in the preparation of such  
22 regulations the national officer of each of such veterans'  
23 organizations who is responsible for claims and rehabilitation  
24 activities shall be consulted. The commanding officer of each  
25 such military or naval installation shall cooperate fully with



1 such authorized representatives in the providing of available  
2 space and equipment for such representatives.

### 3 CHAPTER III—REVIEWING AUTHORITY

4 SEC. 300. The discharge or dismissal by reason of the  
5 sentence of a general court martial of any person from the  
6 military or naval forces, or the discharge of any such per-  
7 son on the ground that he was a conscientious objector who  
8 refused to perform military duty or refused to wear the  
9 uniform or otherwise to comply with lawful orders of  
10 competent military authority, or as a deserter, or of an offi-  
11 cer by the acceptance of his resignation for the good of  
12 the service, shall bar all rights of such person, based upon  
13 the period of service from which he is so discharged or  
14 dismissed, under any laws administered by the Veterans'  
15 Administration: *Provided*, That in the case of any such  
16 person, if it be established to the satisfaction of the Ad-  
17 ministrator that at the time of the commission of the of-  
18 fense such person was insane, he shall not be precluded from  
19 benefits to which he is otherwise entitled under the laws  
20 administered by the Veterans' Administration: *And pro-*  
21 *vided further*, That this section shall not apply to any war  
22 risk, Government (converted), or national service life-  
23 insurance policy.

24 SEC. 301. The Secretary of War and the Secretary of  
25 the Navy, after conference with the Administrator of Vet-

1   erans' Affairs, are authorized and directed to establish in the  
2   War and Navy Departments, respectively, boards of review  
3   composed of five members each, whose duties shall be to  
4   review, on their own motion or upon the request of a former  
5   officer or enlisted man or woman or, if deceased, by the sur-  
6   viving spouse, next of kin, or legal representative, the type  
7   and nature of his discharge or dismissal, except a discharge  
8   or dismissal by reason of the sentence of a general court  
9   martial. Such review shall be based upon all available  
10  records of the service department relating to the person  
11  requesting such review, and such other evidence as may be  
12  presented by such person. Witnesses shall be permitted to  
13  present testimony either in person or by affidavit and the  
14  person requesting review shall be allowed to appear before  
15  such board in person or by counsel: *Provided*, That the term  
16  “counsel” as used in this section shall be construed to in-  
17  clude, among others, accredited representatives of veterans'  
18  organizations recognized by the Veterans' Administration  
19  under section 200 of the Act of June 29, 1936 (Public Law  
20  Numbered 844, Seventy-fourth Congress). Such board shall  
21  have authority, except in the case of a discharge or dismissal  
22  by reason of the sentence of a general court martial, to  
23  change, correct, or modify any discharge or dismissal, and to  
24  issue a new discharge in accord with the facts presented to

1 the board. The Articles of War and the Articles for the  
2 Government of the Navy are hereby amended to authorize  
3 the Secretary of War and the Secretary of the Navy to  
4 establish such boards of review, the findings thereof to be  
5 final subject only to review by the Secretary of War or the  
6 Secretary of the Navy, respectively: *Provided*, That no  
7 request for review by such board of a discharge or dismissal  
8 under the provisions of this section shall be valid unless  
9 filed within fifteen years after such discharge or dismissal  
10 or within fifteen years after the effective date of this Act  
11 whichever be the later.

12 SEC. 302. (a) The Secretary of War, the Secretary of  
13 the Navy, and the Secretary of the Treasury are authorized  
14 and directed to establish, from time to time, boards of review  
15 composed of five commissioned officers, two of whom shall  
16 be selected from the Medical Corps of the Army or Navy,  
17 or from the Public Health Service, as the case may be. It  
18 shall be the duty of any such board to review, at the request  
19 of any officer retired or released to inactive service, without  
20 pay, for physical disability pursuant to the decision of a retir-  
21 ing board or board of medical survey, the findings and  
22 decision of such retiring board or board of medical survey.  
23 Such review shall be based upon all available service records  
24 relating to the officers requesting such review, and such other

1 evidence as may be presented by such officer. Witnesses  
2 shall be permitted to present testimony either in person or  
3 by affidavit, and the officer requesting review shall be allowed  
4 to appear before such board of review in person or by counsel.  
5 In carrying out its duties under this section such board of  
6 review shall have the same powers as exercised by, or vested  
7 in, the retiring board whose findings and decision are being  
8 reviewed. The proceedings and decision of each such board  
9 of review affirming or reversing the decision of the retiring  
10 board shall be transmitted to the Secretary of War, the Secre-  
11 tary of the Navy, or the Secretary of the Treasury, as the  
12 case may be, and shall be laid by him before the President  
13 for his approval or disapproval and orders in the case.

14 (b) No request for review under this section shall be  
15 valid unless filed within fifteen years after the date of retire-  
16 ment for disability or after the effective date of this Act,  
17 whichever is the later.

18 (c) As used in this section—

19 (1) the term “officer” means any officer subject to  
20 the laws granting retirement for active service in the  
21 Army, Navy, Marine Corps, or Coast Guard, or any of  
22 their respective components;

23 (2) the term “counsel” shall have the same mean-  
24 ing as when used in section 301 of this Act.



## TITLE II

## CHAPTER IV—EDUCATION OF VETERANS

SEC. 400. (a) Subsection (f) of section 1, title I, Public Law Numbered 2, Seventy-third Congress, added by the Act of March 24, 1943 (Public Law Numbered 16, Seventy-eighth Congress), is hereby amended to read as follows:

“(f) Any person who served in the active military or naval forces on or after September 16, 1940, and prior to the termination of hostilities in the present war, shall be entitled to vocational rehabilitation subject to the provisions and limitations of Veterans Regulation Numbered 1 (a), as amended, part VII, or to education or training subject to the provisions and limitations of part VIII.”

(b) Veterans Regulation Numbered 1 (a), is hereby amended by adding a new part VIII, as follows:

## “PART VIII

“1. Any person who served in the active military or naval service on or after September 16, 1940, and prior to the termination of the present war, and who shall have been discharged or released therefrom under conditions other than dishonorable, and whose education or training was impeded, delayed, interrupted, or interfered with by reason of his entrance into the service, or who desires a refresher

1 or retraining course, and who either shall have served ninety  
2 days or more, exclusive of any period he was assigned for  
3 a course of education or training under the Army specialized  
4 training program or the Navy college training program,  
5 which course was a continuation of his civilian course and  
6 was pursued to completion, or as a cadet or midshipman  
7 at one of the service academies, or shall have been dis-  
8 charged or released from active service by reason of an  
9 actual service-incurred injury or disability, shall be eligible  
10 for and entitled to receive education or training under this  
11 part: *Provided*, That such course shall be initiated not later  
12 than four years after either the date of his discharge or  
13 the termination of the present war, whichever is the later:  
14 *Provided further*, That no such education or training shall  
15 be afforded beyond nine years after the termination of the  
16 present war: *And provided further*, That any such person  
17 who was not over 25 years of age at the time he entered  
18 the service shall be deemed to have had his education or  
19 training impeded, delayed, interrupted, or interfered with.

20 "2. Any such eligible person shall be entitled to educa-  
21 tion or training, or a refresher or retraining course, at an  
22 approved educational or training institution, for a period  
23 of one year (or the equivalent thereof in continuous part-time  
24 study), or for such lesser time as may be required for the  
25 course of instruction chosen by him. Upon satisfactory com-

1 pletion of such course of education or training, according to  
2 the regularly prescribed standards and practices of the insti-  
3 tutions, except a refresher or retraining course, such person  
4 shall be entitled to an additional period or periods of educa-  
5 tion or training, not to exceed the time such person was in  
6 the active service on or after September 16, 1940, and  
7 before the termination of the war, exclusive of any period  
8 he was assigned for a course of education or training under  
9 the Army specialized training program or the Navy college  
10 training program, which course was a continuation of his  
11 civilian course and was pursued to completion, or as a cadet  
12 or midshipman at one of the service academies, but in no  
13 event shall the total period of education or training exceed  
14 four years: *Provided*, That his work continues to be satis-  
15 factory throughout the period, according to the regularly  
16 prescribed standards and practices of the institution: *Pro-*  
17 *vided, however*, That wherever the additional period of in-  
18 struction ends during a quarter or semester and after a major  
19 part of such quarter or semester has expired, such period of  
20 instruction shall be extended to the termination of such  
21 unexpired quarter or semester.

22 "3. (a) Such person shall be eligible for and entitled to  
23 such course of education or training as he may elect, and at  
24 any approved educational or training institution at which he  
25 chooses to enroll, whether or not located in the State in which

1 he resides, which will accept or retain him as a student or  
2 trainee in any field or branch of knowledge which such  
3 institution finds him qualified to undertake or pursue: *Pro-*  
4 *vided*, That, for reasons satisfactory to the Administrator,  
5 he may change a course of instruction: *And provided further*,  
6 That any such course of education or training may be dis-  
7 continued at any time, if it is found by the Administrator  
8 that, according to the regularly prescribed standards and  
9 practices of the institution, the conduct or progress of such  
10 person is unsatisfactory.

11 “(b) Any such eligible person may apply for a short,  
12 intensive, postgraduate or vocational training course of less  
13 than 30 weeks: *Provided*, That the Administrator shall  
14 have the authority to contract with approved institutions  
15 for such courses if he finds that the agreed cost of such  
16 courses is reasonable and fair: *Provided further*, That the  
17 limitation of paragraph 5 shall not prevent the payment of  
18 such agreed rates, but there shall be charged against the  
19 veteran's period of eligibility the proportion of an ordinary  
20 school year which the cost of the course bears to \$500.

21 “4. From time to time the Administrator shall secure  
22 from the appropriate agency of each State a list of the edu-  
23 cational and training institutions (including industrial estab-  
24 lishments), within such jurisdiction, which are qualified and  
25 equipped to furnish education or training (including ap-



1 prenticeship and refresher or retraining training), which in-  
2 stitutions, together with such additional ones as may be  
3 recognized and approved by the Administrator, shall be  
4 deemed qualified and approved to furnish education or  
5 training to such persons as shall enroll under this part: *Pro-*  
6 *vided*, That wherever there are established State apprentice-  
7 ship agencies expressly charged by State laws to administer  
8 apprentice training, whenever possible, the Administrator  
9 shall utilize such existing facilities and services in training  
10 on the job when such training is of one year's duration or  
11 more.

12 "5. The Administrator shall pay to the educational or  
13 training institution, for each person enrolled in full time, part  
14 time, or correspondence course of education or training, the  
15 customary cost of tuition, and such laboratory, library, health,  
16 infirmary, and other similar fees as are customarily charged,  
17 and may pay for books, supplies, equipment, and other  
18 necessary expenses, exclusive of board, lodging, other living  
19 expenses, and travel, as are generally required for the suc-  
20 cessful pursuit and completion of the course by other students  
21 in the institution: *Provided*, That in no event shall such  
22 payments, with respect to any person, exceed \$500 for an  
23 ordinary school year: *Provided further*, That no payments  
24 shall be made to institution, business or other establishments  
25 furnishing apprentice training on the job: *And provided*

1 *further*, That if any such institution has no established  
2 tuition fee, or if its established tuition fee shall be found by  
3 the Administrator to be inadequate compensation to such  
4 institution for furnishing such education or training, he is  
5 authorized to provide for the payment, with respect to any  
6 such person, of such fair and reasonable compensation as  
7 will not exceed \$500 for an ordinary school year.

8       “6. While enrolled in and pursuing a course other  
9 than a course in a correspondence school under this part,  
10 such person, upon application to the Administrator, shall  
11 be paid a subsistence allowance of \$60 per month, if  
12 without a dependent or dependents, or \$85 per month, if  
13 he has a dependent or dependents, including regular holidays  
14 and leave not exceeding thirty days in a calendar year.  
15 Such person attending a course on a part-time basis, and  
16 such person receiving compensation for productive labor  
17 performed as part of their apprentice or other training on  
18 the job at institutions, business or other establishments, shall  
19 be entitled to receive such lesser sums, if any, as subsistence  
20 or dependency allowances, as may be determined by the  
21 Administrator: *Provided*, That any such person eligible  
22 under this part, and within the limitations thereof, may pursue  
23 such full time or part-time course or courses as he may elect,  
24 without subsistence allowance.

25       “7. Any such person eligible for the benefits of this

1 part, who is also eligible for the benefit of part VII, may  
2 elect which benefit he desires: *Provided*, That, in the event  
3 of such election, subsistence allowance hereunder shall not  
4 exceed the amount of additional pension payable for training  
5 under said part VII.

6 “8. No department, agency, or officer of the United  
7 States, in carrying out the provisions of this part, shall exer-  
8 cise any supervision or control, whatsoever, over any State  
9 educational agency, or State apprenticeship agency, or any  
10 educational or training institution: *Provided*, That nothing  
11 in this section shall be deemed to prevent any department,  
12 agency, or officer of the United States from exercising any  
13 supervision or control which such department, agency, or  
14 officer is authorized, by existing provisions of law, to exer-  
15 cise over any Federal educational or training institution, or  
16 to prevent the furnishing of education or training under  
17 this part in any institution over which supervision or control  
18 is exercised by such other department, agency, or officer  
19 under authority of existing provisions of law.

20 “9. The Administrator of Veterans' Affairs is authorized  
21 and empowered to administer this title, and, insofar as he  
22 deems practicable, shall utilize existing facilities and services  
23 of Federal and State departments and agencies on the basis  
24 of mutual agreements with them. . Consistent with and sub-

1 ject to the provisions and limitations set forth in this title,  
2 the Administrator shall, from time to time, prescribe and  
3 promulgate such rules and regulations as may be necessary  
4 to carry out its purposes and provisions.

5 “10. The Administrator may arrange for educational  
6 and vocational guidance to persons eligible for education and  
7 training under this part. At such intervals as he deems  
8 necessary, he shall make available information respecting  
9 the need for general education and for training personnel in  
10 the various crafts, trades, and professions: *Provided, That*  
11 facilities of other Federal agencies collecting such informa-  
12 tion shall be utilized to the extent he deems practicable.

13 “11. As used in this part, the term ‘educational or  
14 training institutions’ shall include all public or private ele-  
15 mentary, secondary, and other schools furnishing education  
16 for adults, business schools and colleges, correspondence  
17 schools, scientific and technical institutions, colleges, voca-  
18 tional schools, junior colleges, teachers colleges, normal  
19 schools, professional schools, universities, and other educa-  
20 tional institutions, and shall also include business or other  
21 establishments providing apprentice or other training on  
22 the job, including those under the supervision of an ap-  
23 proved college or university or any State department of  
24 education, or any State apprenticeship agency or State  
25 board of vocational education, or any State apprenticeship



1 council or the Federal Apprentice Training Service  
2 established in accordance with Public, Numbered 308, Sev-  
3 enty-fifth Congress, or any agency in the executive branch  
4 of the Federal Government authorized under other laws to  
5 supervise such training.”

6 “12. The Government shall pay for these correspondence  
7 courses quarterly as the course is completed.

8 “13. No correspondence school shall be approved unless  
9 it was in existence prior to the date of this Act.

10 SEC. 401. Section 3, Public Law Numbered 16,  
11 Seventy-eighth Congress, is hereby amended to read as  
12 follows:

13 “SEC. 3. The appropriation for the Veterans’ Adminis-  
14 tration, ‘Salaries and expenses, medical and hospital, and  
15 compensation and pensions’, shall be available for necessary  
16 expenses under part VII, as amended, or part VIII of  
17 Veterans Regulation Numbered 1 (a), and there is hereby  
18 authorized to be appropriated such additional amount or  
19 amounts as may be necessary to accomplish the purposes  
20 thereof. Such expenses may include, subject to regulations  
21 issued by the Administrator and in addition to medical care,  
22 treatment, hospitalization, and prosthesis, otherwise author-  
23 ized, such care, treatment, and supplies as may be necessary  
24 to accomplish the purposes of part VII, as amended, or  
25 part VIII of Veterans Regulation Numbered 1 (a).

1        SEC. 402. Public Law Numbered 16, Seventy-eighth  
2 Congress, is hereby amended by adding thereto a new  
3 section 4 to read as follows:

4        "SEC. 4. Any books, supplies, or equipment furnished  
5 a trainee or student under part VII or part VIII of Veterans  
6 Regulation Numbered 1 (a) shall be deemed released to  
7 him: *Provided*, That if he fail, because of fault on his part  
8 to complete the course of training or education afforded  
9 thereunder, he may be required, in the discretion of the  
10 Administrator, to return any or all of such books, supplies,  
11 or equipment not actually expended or to repay the reason-  
12 able value thereof."

13        SEC. 403. Paragraph 1, part VII, Veterans Regulation  
14 Numbered 1 (a) (Public Law Numbered 16, Seventy-  
15 eighth Congress), is hereby amended by inserting after the  
16 word "time" the words "on or" and deleting the date  
17 "December 6, 1941" and substituting therefor the date  
18 "September 16, 1940".

19 TITLE III—LOANS FOR THE PURCHASE OR CON-  
20 STRUCTION OF HOMES, FARMS, AND BUSI-  
21 NESS PROPERTY

22 CHAPTER V—GENERAL PROVISIONS FOR LOANS

23        SEC. 500. (a) Any person who shall have served in  
24 active military or naval service of the United States at any  
25 time on or after September 16, 1940, and prior to the

1 termination of the present war, and who shall have been  
2 discharged or released therefrom under conditions other  
3 than dishonorable after active service of ninety days or  
4 more, or by reason of an injury or disability incurred in  
5 service in line of duty, shall be eligible for benefits of this  
6 title. Any such veteran may apply within six years after  
7 separation from the military or naval forces, or six years  
8 after termination of the war, whichever is the later date,  
9 but in no event more than eight years after the termination  
10 of the war, to any of the established lending agencies here-  
11 inafter set forth for a loan for the purposes set forth in the  
12 title in any amount that may be agreed upon between the  
13 lender and the veteran, and when such a loan is made by  
14 the lender the lender is automatically guaranteed 50 per  
15 centum of the loan by the Administrator of Veterans' Affairs  
16 and this Act is the guaranty: *Provided*, That the aggregate  
17 amount guaranteed shall not exceed \$2,000: *Provided*  
18 *further*, That no loan shall be negotiated until thirty days  
19 after the date of veteran's discharge.

20 (b) Interest for the first year on that part of the loan  
21 guaranteed shall be paid by the Administrator out of avail-  
22 able appropriations.

23 (c) The liability under the guaranty, within the lim-  
24 itations of this title, shall decrease or increase pro rata  
25 with any decrease or increase of the amount of the unpaid

1 portion of the obligation: *Provided*, That loans guaranteed  
2 shall bear interest at a rate not exceeding 4 per centum per  
3 annum and shall be payable in full in not more than twenty  
4 years.

5 CERTIFICATE OF ELIGIBILITY

6 SEC. 501. An honorable discharge shall be the veteran's  
7 certificate of eligibility to apply for a guaranteed loan. All  
8 veterans who have a discharge other than honorable or  
9 dishonorable shall receive from the Administrator upon  
10 request after discharge a certificate of eligibility. Upon the  
11 making of a loan as provided herein the lender shall en-  
12 dorse on the back of the honorable discharge or certificate,  
13 in lieu of discharge or certificate of eligibility, the date and  
14 amount of the loan and shall also forthwith transmit to the  
15 Administrator a statement setting forth the full name and  
16 serial number of the veteran, amount and terms of the loan,  
17 and the legal description of the property. No approval of  
18 the loan shall be required from the Administrator. Loans  
19 may be made by any Federal Reserve bank, National bank,  
20 State bank, private bank, building and loan association,  
21 insurance company, or mortgage and loan company estab-  
22 lished prior to the date of this Act, and any other lending  
23 institution or any person approved by the Administrator.

24 PURCHASE OR CONSTRUCTION OF HOMES

25 SEC. 502. (a) Any application made by a veteran



1 under this title for a loan to be used in purchasing resi-  
2 dential property or in constructing a dwelling or unimproved  
3 property owned by him to be occupied as his home may be  
4 approved if the lender finds—

5 (1) that the proceeds of such loans will be used  
6 for payment for such property to be purchased or con-  
7 structed by the veteran;

8 (2) that the contemplated terms of payment re-  
9 quired in any mortgage to be given in part payment  
10 of the purchase price or the construction cost bear a  
11 proper relation to the veteran's present and anticipated  
12 income and expense; and that the nature and condition  
13 of the property is such as to be suitable for dwelling  
14 purposes; and

15 (3) that the purchase price paid or to be paid  
16 by the veteran for such property or the construction  
17 cost, including the value of the unimproved lot, does  
18 not exceed the reasonable value thereof as determined  
19 by the lender's appraisal.

20 (b) Any application for a loan under this section for  
21 the purpose of making repairs, alterations, or improvements  
22 in, or paying delinquent indebtedness, taxes, or special as-  
23 sessments on residential property owned by the veteran and  
24 used by him as his home, may be approved by the lender

1 if the proceeds of such loan will be used for such purpose or  
2 purposes.

3 (c) No first mortgage shall be ineligible for insurance  
4 under the National Housing Act, as amended, by reason  
5 of any loan guaranteed under this title, or by reason of any  
6 secondary lien upon the property involved securing such  
7 loan.

8 PURCHASE OF FARMS AND FARM EQUIPMENT

9 SEC. 503. Any application made under this title for the  
10 guaranty of a loan to be used in purchasing any land, building,  
11 livestock, equipment, machinery, or implements, or in re-  
12 pairing, altering, or improving any buildings or equipment,  
13 to be used in farming operations conducted by the applicant,  
14 may be approved if the lender finds—

15 (1) that the proceeds of such loan will be used in  
16 payment for real or personal property purchased or to  
17 be purchased by the veteran, or for repairing, altering, or  
18 improving any buildings or equipment, to be used in bona  
19 fide farming operations conducted by him;

20 (2) that such property will be useful in and reason-  
21 ably necessary for efficiently conducting such operations;

22 (3) that the ability and experience of the veteran,  
23 and nature of the proposed farming operations to be con-  
24 ducted by him, are such that there is a reasonable likeli-  
25 hood that such operations will be successful; and

(4) that the purchase price paid or to be paid by the veteran for such property does not exceed the reasonable value thereof as determined by the lender's appraisal.

#### PURCHASE OF BUSINESS PROPERTY

SEC. 504. Any application made under this title for the guaranty of a loan to be used in purchasing any business, land, buildings, supplies, equipment, machinery, or tools, to be used by the applicant in pursuing a gainful occupation (other than farming) may be approved if the lender finds—

(1) that the proceeds of such loan will be used for payment for real or personal property purchased or to be purchased by the veteran and used by him in the bona fide pursuit of such gainful occupation;

(2) that such property will be useful in and reasonably necessary for the efficient and successful pursuit of such occupation;

(3) that the ability and experience of the veteran, and the conditions under which he proposes to pursue such occupation, are such that there is a reasonable likelihood that he will be successful in the pursuit of such occupation; and

(4) that the purchase price paid or to be paid by the veteran for such property does not exceed the reasonable value thereof as determined by the lender's appraisal.

1        SEC. 505. In the event the veteran defaults in the pay-  
2        ment of his loan and after suit or foreclosure and sale the  
3        deficiency is determined, then upon notification from the  
4        lender, the Administrator of Veterans' Affairs shall pay  
5        to the lender its guaranty not in excess of \$2,000 and not  
6        in excess of the deficiency, and be subrogated to the rights  
7        of the lender to the extent of the amount paid on the  
8        guaranty: *Provided*, That prior to suit or foreclosure the  
9        lender shall notify the Administrator, and within thirty days  
10        thereafter the Administrator may, at his option, pay the  
11        lender the face of the loan plus accrued interest and receive  
12        an assignment of the loan and security and thereafter sue  
13        or foreclose in the name of the Veterans' Administration.

## TITLE IV

## CHAPTER VI—EMPLOYMENT OF VETERANS

16 SEC. 600. (a) In the enactment of the provisions of  
17 this title Congress declares as its intent and purpose that  
18 there shall be an effective job counseling and employment  
19 placement service for veterans, and that, to this end, policies  
20 shall be promulgated and administered, so as to provide for  
21 them the maximum of job opportunity in the field of gain-  
22 ful employment. For the purpose there is hereby created  
23 to cooperate with and assist the United States Employment  
24 Service, as established by the provisions of the Act of June  
25 6, 1933, a Veterans' Placement Service Board, which shall



1 consist of the Administrator of Veterans' Affairs, as Chair-  
2 man, the Director of the National Selective Service System,  
3 and the Administrator of the Federal Security Agency, or  
4 whoever may have the responsibility of administering the  
5 functions of the United States Employment Service. The  
6 Board shall determine all matters of policy relating to the  
7 administration of the Veterans' Employment Service of the  
8 United States Employment Service.

9 (b) The Chairman of the Board shall have direct  
10 authority and responsibility for carrying out its policies  
11 through the veterans' employment representatives in the  
12 several States or through persons engaged in activities auth-  
13 orized by subsection (g) of section 8 of the Selective Serv-  
14 ice Act of 1940 (Public Law 783, Seventy-sixth Congress,  
15 approved September 16, 1940, as amended (U. S. C.,  
16 title 50, sec. 308)). The Chairman may delegate such  
17 authority to an executive secretary who shall be appointed  
18 by him and who shall thereupon be the Chief of the Veter-  
19 ans' Employment Service of the United States Employment  
20 Service.

21 (c) The public records of the Veterans' Personnel Divi-  
22 sion, National Selective Service System, and the Veterans'  
23 Employment Service of the United States Employment  
24 Service shall be available to the Board.

25 SEC. 601. The United States Employment Service shall

1 assign to each of the States a veterans' employment repre-  
2 sentative, who shall be a veteran of the wars of the United  
3 States separated from active service under honorable condi-  
4 tions, who at the time of appointment shall have been a bona  
5 fide resident of the State for at least two years, and who shall  
6 be appointed, subject to the approval of the Board, in accord-  
7 ance with the civil-service laws, and whose compensation  
8 shall be fixed in accordance with the Classification Act of  
9 1923, as amended. Each such veterans' employment repre-  
10 sentative shall be attached to the staff of the public employ-  
11 ment service in the State to which he has been assigned. He  
12 shall be administratively responsible to the Board, through  
13 its executive secretary, for the execution of the Board's vet-  
14 erans' placement policies through the public employment  
15 service in the State. In cooperation with the public employ-  
16 ment service staff in the State, he shall—

17           (a) be functionally responsible for the supervision  
18           of the registration of veterans in local employment offices  
19           for suitable types of employment and for placement of  
20           veterans in employment;

21           (b) assist in securing and maintaining current in-  
22           formation as to the various types of available employ-  
23           ment in public works and private industry or business;

24           (c) promote the interest of employers in employing  
25           veterans;

(d) maintain regular contact with employers and veterans' organizations with a view of keeping employers advised of veterans available for employment and veterans advised of opportunities for employment; and

(e) assist in every possible way in improving working conditions and the advancement of employment of veterans.

SEC. 602. Where deemed necessary by the Board, there shall be assigned by the administrative head of the employment service in the State one or more employees, preferably veterans, of the staffs of local employment service offices, whose services shall be primarily devoted to discharging the duties prescribed for the veterans' employment representative.

SEC. 603. All Federal agencies shall furnish the Board such records, statistics, or information as may be deemed necessary or appropriate in administering the provisions of this title, and shall otherwise cooperate with the Board in providing continuous employment opportunities for veterans.

SEC. 604. The Federal agency administering the United States Employment Service shall maintain that Service as an operating entity and, during the period of its administration, shall effectuate the provisions of this title.

SEC. 605. (a) The Board through its executive secre-



1 tary shall estimate the funds necessary for the proper and  
2 efficient administration of this title; such estimated sums shall  
3 include the annual amounts necessary for salaries, rents,  
4 printing and binding, travel, and communications. Sums  
5 thus estimated shall be included as a special item in the an-  
6 nual budget of the United States Employment Service. Any  
7 funds appropriated pursuant to this special item as contained  
8 in the budget of the United States Employment Service shall  
9 not be available for any purpose other than that for which  
10 they were appropriated, except with the approval of the  
11 Board.

12 (b) The War Manpower Commission shall from its  
13 current appropriation allocate and make available sufficient  
14 funds to carry out the provisions of this title during the  
15 current fiscal year.

16 SEC. 606. The term "United States Employment Serv-  
17 ice" as used in this title means that bureau created by the  
18 provisions of the Act of June 6, 1933, or such successor  
19 agencies as from time to time shall perform its functions and  
20 duties, as now performed by the War Manpower Commission.

21 SEC. 607. The term "veteran" as used in this title shall  
22 mean a person who served in the active service of the armed  
23 forces during a period of war in which the United States  
24 has been, or is, engaged, and who has been discharged or  
25 released therefrom under conditions other than dishonorable.

## TITLE V

CHAPTER VII—READJUSTMENT ALLOWANCES FOR  
FORMER MEMBERS OF THE ARMED FORCES WHO  
ARE UNEMPLOYED

SEC. 700. (a) Any person who shall have served in the active military or naval service of the United States at any time after September 16, 1940, and prior to the termination of the present war, and who shall have been discharged or released from active service under conditions other than dishonorable, after active service of ninety days or more, or by reason of an injury or disability incurred in service in line of duty, shall be entitled, in accordance with the provisions of this title and regulations issued by the Administrator of Veterans' Affairs pursuant thereto, to receive a readjustment allowance as provided herein for each week of unemployment, not to exceed a total of fifty-two weeks, which (1) begins after the first Sunday of the third calendar month after the date of enactment hereof, and (2) occurs not later than two years after discharge or release or the termination of the war, whichever is the later date: *Provided*, That no such allowance shall be paid for any period for which he receives increased pension under part VII of Veterans Regulation 1 (a) or a subsistence allowance under part VIII of such regulation: *Provided further*, That no readjustment allowance shall be payable

1 for any week commencing more than five years after the  
2 termination of hostilities in the present war.

3 (b) Such person shall be deemed eligible to receive an  
4 allowance for any week of unemployment if claim is made  
5 for such allowance and the Administrator finds with respect  
6 to such week that—

7 (1) the person is residing in the United States at  
8 the time of such claim;

9 (2) the person is completely unemployed, having  
10 performed no service and received no wages, or is par-  
11 tially unemployed in that services have been performed  
12 for less than a full workweek and the wages for the week  
13 are less than the allowance under this title plus \$3;

14 (3) the person is registered with and continues to  
15 report to a public employment office, in accordance with  
16 its regulations;

17 (4) the person is able to work and available for  
18 suitable works *Provided*, That no claimant shall be con-  
19 sidered ineligible in any period of continuous unemploy-  
20 ment for failure to comply with the provisions of this  
21 subparagraph if such failure is due to an illness or dis-  
22 ability which occurs after the commencement of such  
23 period.

24 CHAPTER VIII—DISQUALIFICATIONS

25 SEC. 800. Notwithstanding the provisions of section



1 700, a claimant shall be disqualified from receiving an al-  
2 lowance if—

3 (1) he leaves suitable work voluntarily, without  
4 good cause, or is suspended or discharged for misconduct  
5 in the course of employment;

6 (2) he, without good cause, fails to apply for suit-  
7 able work to which he has been referred by a public em-  
8 ployment office, or to accept suitable work when offered  
9 him; or

10 (3) he, without good cause, does not attend an  
11 available free training course as required by regulations  
12 issued pursuant to the provisions of this title.

13 (b) Notwithstanding the provisions of section 700, a  
14 claimant shall also be disqualified from receiving an allow-  
15 ance for any week with respect to which it is found that his  
16 unemployment is due to a stoppage of work which exists  
17 because of a labor dispute at the factory, establishment, or  
18 other premises at which he is or was last employed: *Pro-*  
19 *vided*, That this subsection shall not apply if it is shown  
20 that—

21 (1) he is not participating in or directly interested  
22 in the labor dispute which causes the stoppage of work;  
23 and

24 (2) he does not belong to a grade or class of work-  
25 ers of which, immediately before the commencement

1 of the stoppage there were members employed at the  
2 premises at which the stoppage occurs, any of whom are  
3 participating in or directly interested in the dispute:  
4 *Provided, however,* That if in any case separate branches  
5 of work, which are commonly conducted as separate  
6 business in separate premises, are conducted in separate  
7 departments of the same premises, each such department  
8 shall, for the purposes of this subsection, be deemed to be  
9 a separate factory, establishment, or other premises.

10 (c) (1) If a claimant is disqualified under the provisions  
11 of subsection (a) of this section, he shall be disqualified to  
12 receive any readjustment allowance for the week in which  
13 the cause of his disqualification occurred and for not more  
14 than four immediately following weeks.

15 (2) In addition to the disqualification prescribed in  
16 paragraph (1) above, the Administrator may, in cases of  
17 successive disqualifications under the provisions of subsection  
18 (a) of this section, extend the period of disqualification for  
19 such additional period as the Administrator may prescribe,  
20 but not to exceed eight additional weeks in the case of any  
21 one disqualification.

22 (d) (1) In determining under subsection (a) of this  
23 section the suitability of work or the existence of good cause  
24 with respect to a claimant, the conditions and standards pre-  
25 scribed by the unemployment compensation laws of the

1 State in which he files his claim shall govern: *Provided*,  
2 That the Administrator may prescribe conditions and  
3 standards for applicants in any State having no applicable  
4 statute.

5 (2) In determining under subsection (a) of this section  
6 the suitability of work, no work shall be deemed suitable  
7 for an individual if—

8 (A) the position offered is vacant due directly to  
9 a strike, lock-out, or other labor dispute; or

10 (B) the wages, hours, or other conditions of the  
11 work offered are substantially less favorable to him  
12 than those prevailing for similar work in the locality.

13 CHAPTER IX—AMOUNT OF ALLOWANCE AND PAYMENT

14 SEC. 900. (a) The allowance for a week shall be \$20  
15 less that part of the wages payable to him for such week  
16 which is in excess of \$3: *Provided*, That where the allow-  
17 ance is not a multiple of \$1, it shall be computed to the  
18 next highest multiple of \$1.

19 (b) The number of weeks of allowances to which each  
20 eligible veteran shall be entitled shall be determined as  
21 follows: For each calendar month or major fraction thereof  
22 of active service during the period stated in section 700  
23 the veteran shall be entitled to four weeks of allowances,  
24 but in no event to exceed the maximum provided in section

1 700: *Provided*, That the allowance for the qualifying ninety  
2 days service shall be eight weeks for each such month.

3 SEC. 901. (a) Readjustment allowances shall be paid  
4 at the intervals prescribed by the unemployment compen-  
5 sation law of the State in which the claim was made: *Pro-*  
6 *vided*, That if none are so prescribed readjustment allow-  
7 ances shall be paid at such reasonable intervals as may be  
8 determined by the Administrator.

9 (b) Any allowances remaining unpaid upon the death  
10 of a claimant shall not be considered a part of the assets of  
11 the estate of the claimant, or liable for the payment of his  
12 debts, or subject to any administration of his estate, and the  
13 Administrator may make payment thereof to such person  
14 or persons he finds most equitably entitled thereto.

15 SEC. 902. (a) Any person qualified under subsection  
16 (a) of section 700, and residing in the United States who is  
17 self-employed for profit in an independent establishment,  
18 trade, business, profession, or other vocation shall be eligible  
19 for readjustment allowances under this title within the time  
20 periods applicable, and not in excess of the total amount  
21 provided in this title.

22 (b) Upon application by the veteran showing, in  
23 accordance with rules prescribed by the Administrator, that  
24 he has been fully engaged in such self-employment and that  
25 his net earnings in a trade, business, profession, or vocation,



1 have been less than \$100 in the previous calendar month,  
2 the veteran shall be entitled to receive, subject to the limita-  
3 tions of this title as to time and amount, the difference (ad-  
4 justed to the next highest multiple of \$1), between \$100  
5 and his net earnings for such month.

6 (c) Payment of such allowance shall be made by the  
7 Administrator to each eligible veteran at the time and in  
8 the manner other payments are made directly to veterans  
9 by the Administrator.

10 (d) Subsection (b) of section 700 and section 800  
11 shall not apply in determining the eligibility for allowances  
12 of a claimant under this section.

#### 13 CHAPTER X.—ADJUSTMENT OF DUPLICATE BENEFITS

14 SEC. 1000. Where an allowance is payable to a claim-  
15 ant under this title and where, for the same period, either  
16 an allowance or benefit is received under any Federal or  
17 State unemployment or disability compensation law, the  
18 amount received or accrued from such other source shall be  
19 subtracted from the allowance payable under this title (ex-  
20 cept that this section shall not apply to pension, compensa-  
21 tion, or retired pay paid by the Veterans' Administration);  
22 and the resulting allowances, if not a multiple of \$1, shall  
23 be readjusted to the next higher multiple of \$1.

#### 24 CHAPTER XI.—ADMINISTRATION

25 SEC. 1100. (a) The Administrator of Veterans' Affairs



1 is authorized to administer this title and shall, insofar as  
2 possible, utilize existing facilities and services of Federal  
3 and State departments or agencies on the basis of mutual  
4 agreements with such departments or agencies. Such agree-  
5 ments shall provide for the filing of claims for readjustment  
6 allowances with the Administrator through established pub-  
7 lic employment offices and State unemployment-compen-  
8 sation agencies. Such agencies, through agreement, shall  
9 also be utilized in the processing, adjustment, and deter-  
10 mination of such claims and the payment of such allowances.  
11 To facilitate the carrying out of agreements with State de-  
12 partments or agencies and to assist in the discharge of the  
13 Administrator's duties under this title, a representative of  
14 the Administrator, who shall be a war veteran separated  
15 from active service under honorable conditions and who at  
16 the time of appointment shall have been a bona fide resident  
17 of the State for at least two years, shall be located in each  
18 participating State department or agency.

19 (b) The Administrator, consistent with the provisions of  
20 this title, shall prescribe such rules and regulations and re-  
21 quire such records and reports as he may find necessary to  
22 carry out its purposes: *Provided, however,* That cooperative  
23 rules and regulations relating to the performance by Federal  
24 or State departments, or agencies, of functions under agree-  
25 ments made therewith may be made by the Administrator

1 after consultation and advisement with representatives of  
2 such departments or agencies.

3 (c) The Administrator may delegate to any officer or  
4 employee of his own or of any cooperating department or  
5 agency of any State such of his powers and duties, except  
6 that of prescribing rules and regulations, as the Admin-  
7 istrator may consider necessary and proper to carry out the  
8 purposes of this title.

9 (d) Allowances paid by the cooperating State agencies  
10 shall be repaid upon certification by the Administrator. The  
11 Secretary of the Treasury, through the Division of Disburse-  
12 ment of the Treasury, and without the necessity of audit and  
13 settlement by the General Accounting Office, shall pay  
14 monthly to the departments, agencies, or individuals desig-  
15 nated, the amounts so certified.

16 (e) The Administrator shall from time to time certify  
17 to the Secretary of the Treasury for payment in advance  
18 or otherwise such sums as he estimates to be necessary to  
19 compensate any Federal department or agency for its ad-  
20 ministrative expenses under this title. Such sums shall  
21 cover periods of no longer than six months.

22 (f) The Administrator shall also from time to time  
23 certify to the Social Security Board such State departments  
24 or agencies as may be participating in the administration of  
25 this title, and the amount of the administrative expense in-

1 incurred or to be incurred by a State under agreements made  
2 pursuant to this section. Upon such certification the Social  
3 Security Board shall certify such amount to the Secretary  
4 of the Treasury, in addition to the amount, if any, payable  
5 by said Board under the provisions of section 302 (a) of  
6 the Social Security Act, as amended, and the additional  
7 amount so certified shall be paid to each State by the Sec-  
8 retary of the Treasury out of the appropriation for the  
9 Veterans' Administration.

10 (g) Any money paid to any cooperating agency or  
1 person, which is not used for the purpose for which it was  
2 paid shall, upon termination of the period covered by such  
3 payment or the agreement with such agency or person, be  
4 returned to the Treasury and credited to the current appro-  
5 priation for carrying out the purpose of this title, or, if  
6 returned after the expiration of period covered by this title,  
7 shall be covered into the Treasury as miscellaneous receipts.

18 SEC. 1101. (a) No person designated by the Adminis-  
19 trator as a certifying officer shall, in the absence of gross  
20 negligence, or intent to defraud the United States, be liable  
21 with respect to the payment of any allowance certified by  
22 him under this title.

23 (b) No disbursing officer shall, in the absence of gross  
24 negligence, or intent to defraud the United States, be liable  
25 with respect to any payment by him under this title if it

1 was based upon a voucher signed by a certifying officer  
2 designated by the Administrator.

3 SEC. 1102. Any claimant whose claim for an allowance  
4 has been denied shall be entitled to a fair hearing before  
5 an impartial tribunal of the State agency or such other  
6 agency as may be designated by the Administrator. The  
7 representative of the Administrator located in each State  
8 shall be the final appellate authority in regard to contested  
9 claims arising in such State, subject to review by the  
10 Administrator.

11 SEC. 1103. In the case of any veteran eligible under  
12 the provisions of this title who either at the time of applica-  
13 tion for the benefits herein provided is a "qualified employee"  
14 as defined in section 3 of the Railroad Unemployment In-  
15 surance Act, as amended, or was last employed prior to such  
16 application by an employer as defined in section 1 (a) of  
17 the said Act, claim may be made through an office operated  
18 by or a facility designated as a free employment office by  
19 the Railroad Retirement Board pursuant to the provisions  
20 of said Act. In such cases, the conditions and standards as  
21 to suitability of work or existence of good cause, the inter-  
22 vals for making claim for and payment of benefits, and the  
23 administrative and appellate procedures prescribed by or  
24 under said Act shall govern, if not in conflict with the pro-  
25 visions of this title, the appellate procedures being subject



1 to final appeal to the Administrator. In such cases, a ref-  
2 erence in this title to a cooperating State agency shall be  
3 deemed to include the Railroad Retirement Board.

#### 4 CHAPTER XII—DECISIONS AND PROCEDURES

5 SEC. 1200. The authority to issue subpoenas and pro-  
6 visions for invoking aid of the courts of the United States  
7 in case of disobedience thereto, to make investigations, and  
8 to administer oaths, as contained in title III of the Act  
9 of June 29, 1936 (49 Stat. 2033-34; U. S. C., title 38,  
10 secs. 131-133), shall be applicable in the administration of  
11 this title.

#### 12 CHAPTER XIII—PENALTIES

13 SEC. 1300. Any claimant who knowingly accepts an  
14 allowance to which he is not entitled shall be ineligible to  
15 receive any further allowance under this title.

16 SEC. 1301. (a) Whoever, for the purpose of causing  
17 an increase in any allowance authorized under this title, or  
18 for the purpose of causing any allowance to be paid where  
19 none is authorized under this title, shall make or cause to be  
20 made any false statement or representation as to any wages  
21 paid or received, or whoever makes or causes to be made  
22 any false statement of a material fact in any claim for any  
23 allowance under this title, or whoever makes or causes to  
24 be made any false statement, representation, affidavit, or  
25 document in connection with such claim, shall be guilty of



1 a misdemeanor and upon conviction thereof shall be fined  
2 not more than \$1,000 or imprisoned for not more than one  
3 year, or both.

4 (b) Whoever shall obtain or receive any money, check,  
5 or allowance under this title, without being entitled thereto  
6 and with intent to defraud the United States, shall be pun-  
7 ished by a fine of not more than \$1,000 or by imprison-  
8 ment for not more than one year, or both.

#### 9 CHAPTER XIV—DEFINITIONS

10 SEC. 1400. As used in this title—

11 (a) The term “week” means such period or periods of  
12 seven consecutive calendar days as may be prescribed in  
13 regulations by the Administrator.

14 (b) The term “wages” means all remuneration for  
15 services from whatever sources, including commissions and  
16 bonuses and the cash value of all remuneration in any  
17 medium other than cash.

#### 18 TITLE VI

#### 19 CHAPTER XV—GENERAL ADMINISTRATIVE AND PENAL 20 PROVISIONS

21 SEC. 1500. Except as otherwise provided in this Act,  
22 the administrative, definitive, and penal provisions under  
23 Public, Numbered 2, Seventy-third Congress, as amended,  
24 and the provisions of Public, Numbered 262, Seventy-fourth  
25 Congress, as amended (38 U. S. C. 450, 451, 454a, and

1 556a), shall be for application under this Act. For the  
2 purpose of carrying out any of the provisions of Public,  
3 Numbered 2, as amended, and this Act, the Administrator  
4 shall have authority to accept uncompensated services, and  
5 too enter into contracts or agreements with private or public  
6 agencies, or persons, for necessary services, including per-  
7 sonal services, as he may deem practicable.

8 SEC. 1501. Except as otherwise specified, the appro-  
9 priations for the Veterans' Administration are hereby made  
10 available for expenditures necessary to carry out the pro-  
11 visions of this Act and there is hereby authorized to be ap-  
12 propriated such additional amounts as may be necessary to  
13 accomplish the purposes of this Act.

14 SEC. 1502. Wherever used in this Act, unless the con-  
15 text otherwise requires, the singular includes the plural; the  
16 masculine includes the feminine; the term "Administrator"  
17 means the Administrator of Veterans' Affairs; the term  
18 "United States" used geographically means the several  
19 States, Territories and possessions, and the District of Co-  
20 lumbia; the term "State" means the several States, Terri-  
21 tories and possessions, and the District of Columbia; and the  
22 phrases "termination of hostilities in the present war", "ter-  
23 mination of the present war", and "termination of the war",  
24 mean termination of the war as declared by Presidential  
25 proclamation or concurrent resolution of the Congress.

1        SEC. 1503. A discharge or release from active service  
2 under conditions other than dishonorable shall be a prerequi-  
3 site to entitlement to veterans' benefits provided by this Act  
4 or Public Law Numbered 2, Seventy-third Congress, as  
5 amended.

6        SEC. 1504. The Administrator shall transmit to the Con-  
7 gress annually a report of operations under this Act. If the  
8 Senate or the House of Representatives is not in session, such  
9 reports shall be transmitted to the Secretary of the Senate  
10 or the Clerk of the House of Representatives, as the case  
11 may be.

12       SEC. 1505. In the event there shall hereafter be author-  
13 ized any allowance in the nature of adjusted compensation,  
14 any benefits received by, or paid for, any veteran under this  
15 Act shall be charged against and deducted from such ad-  
16 justed compensation; and in the event a veteran has obtained  
17 a loan under the terms of this Act, the agency disbursing  
18 such adjusted compensation shall first pay the unpaid bal-  
19 ance and accrued interest due on such loan to the holder of  
20 the evidence of such indebtedness to the extent that the  
21 amount of adjusted compensation which may be payable  
22 will permit.

23       SEC. 1506. (a) Before any proposed regulation or  
24 order to carry out the purposes of this Act shall be issued  
25 by any governmental agency exercising authority conferred

1 hereunder, other than intraagency administrative rules or  
2 orders governing the conduct of its activities or inter-  
3 agency rules governing relations with other agencies of the  
4 Government, a draft thereof shall be submitted to the Com-  
5 mittee on Finance of the Senate of the United States and to  
6 the Committee on World War Veterans' Legislation of the  
7 House of Representatives.

8 (b) The draft of such proposed regulation or order  
9 shall be immediately assigned to the Committee on Finance  
10 in the Senate and to the Committee on World War Vet-  
11 erans' Legislation in the House of Representatives, for  
12 study, to consider whether such rule or regulation is made  
13 in conformity with the spirit, letter, intent, and purpose of  
14 this Act, and that no unusual or unexpected use of powers  
15 herein granted is proposed. Such regulation or order may  
16 be approved or disapproved by the Committee on Finance  
17 of the Senate or by the Committee on World War Veterans'  
18 Legislation of the House of Representatives, or a duly au-  
19 thorized subcommittee of either. In the absence of action by  
20 either committee approving or disapproving such regula-  
21 tion or order, it may go into effect not earlier than the  
22 fifteenth day following, but not including the date of the  
23 receipt of the draft of such proposed regulation or order by  
24 the President of the Senate and the Speaker of the House  
25 of Representatives. If sooner approved by either committee



1 it may go into effect immediately upon such approval. Dis-  
2 approval of such regulation or order by either committee  
3 shall suspend its issuance: *Provided*, That in the event of  
4 conflicting committee actions the earlier action shall govern.

5 (c) For the purposes of this section the Committee  
6 on Finance of the Senate and the Committee on World War  
7 Veterans' Legislation of the House of Representatives, or  
8 any duly authorized subcommittees thereof, are authorized to  
9 sit and act during the sessions, recesses, and adjourned  
10 periods of the Congress.

11 (d) This section shall be effective from the date of its  
12 approval.



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## A BILL

To amend the Servicemen's Readjustment Act of 1944 to provide for a readjustment allowance for all veterans of World War II.

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By Mr. RANKIN

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JULY 10, 1945

Referred to the Committee on World War Veterans'  
Legislation





OFFICE OF BUDGET AND FINANCE  
Legislative Reports and Service Section

79th-1st, No.142

DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE  
(Issued July 18, 1945, for actions of Tuesday July 17, 1945)

(For staff of the Department only)

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HIGHLIGHTS: Both House received President's recommendation for a single surplus-property-disposal administrator. House received conference report on tobacco-marketing-quota elections and CCC tobacco loan rates. Senate committees reported bills to transfer certain RFC subsidies to CCC and to require Sec. of Agric.'s approval on fish price control regulations. Rep. Springer and Sen. Morse criticized certain agricultural food programs.

HOUSE

1. A.A.A.; TOBACCO. Received the conference report on H.J. Res. 98, to provide for AAA-tobacco-marketing-quota elections and CCC loan rates on fire-cured and dark air-cured tobacco (p. 7767). The Senate agreed to the conference report July 16.
2. FOREIGN AFFAIRS. Agreed to resolutions authorizing the Foreign Affairs and the Interstate and Foreign Commerce Committees to make investigations in matters coming within their respective jurisdictions (pp. 7762-6, 7766-8). Rep. Sabath, Ill., criticized Gt. Britain's reported withholding of woodpulp shipments (p. 7768).
3. SURPLUS PROPERTY. Both Houses received the President's message regarding disposal of surplus property in which he stated, "I am convinced that the effective performance of the vast administrative task remaining for the disposal of surplus property imperatively requires that authority to make decisions and responsibility for those decisions should be centralized in a single official" (H. Doc. 261). To Senate Military Affairs Committee and House Expenditures in the Executive Departments Committee. (pp. 7713, 7766.)
4. FOREIGN RELIEF. Both Houses received the President's message transmitting reports by the American Red Cross and War Refuge Board relating to foreign war relief operations. To Appropriations Committees. (pp. 7714, 7766.)  
Rep. Dirksen, Ill., criticized UNRRA's proposed request for additional funds, gave figures on amounts available for expenditure, and urged action on his resolution providing for an investigation into UNRRA activities, including the handling of food (pp. 7780-2).
5. UN-AMERICAN ACTIVITIES. Reps. Rankin, Miss., Sabath, Ill., and Dickstein, N.Y., discussed the work of the Un-American Activities Committee (pp. 7775-6).



6. SOAP SUPPLY. Rep. Springer, Ind., criticized the WFA request for 10,000,000 lbs. of soap for shipment to foreign countries "while the American housewife will be compelled to stand by and do the best she can" (p. 7780).
7. BRETTON WOODS AGREEMENTS. Rep. Sumner, Ill., criticized these agreements, stating that they "extend this money creating power so as to make additional dollars available whenever foreign governments' IOU's were deposited in the fund" and inserted an Economic Bulletin on this subject (pp. 7782-3).
8. PERSONNEL; VETERANS. Rep. Rees, Kans., urged appointment of a veteran to the Civil Service Commission in order to protect veterans' rights, and criticized CSC's interpretation of the Veterans' Preference Act in connection with reduction-in-force proceedings (p. 7784).
9. ARCHIVES. Library Committee reported without amendment H.R. 3243, to amend the act establishing the National Archives (H.Rept. 925)(p. 7788).
10. VETERANS. World War Veterans' Legislation Committee reported with amendment H.R. 3749, to amend the Servicemen's Readjustment Act to provide for a readjustment allowance for all World War II veterans (H.Rept. 926)(p. 7788).
11. PRICE CONTROL. Received an Ind. citizens' petition "against subsidies for relief from OPA," and a Wis. citizen's petition in behalf of Wis. tobacco producers "in protest of OPA regulations." To Banking and Currency Committee. (p. 7789.)

SENATE

12. C.C.C. SUBSIDIES. Banking and Currency Committee reported with amendment S. 1270 providing for transfer to CCC of RFC subsidies on meat, flour, and butter, and to authorize sugar-crop subsidies (S.Rept. 465)(p. 7714).
13. PRICE CONTROL. Banking and Currency Committee reported without amendment S. 1204 to amend the Price Control Act so as to require the written approval of the Secretary of Agriculture before any regulation, etc., is issued with respect to fish or fish product (S.Rept. 467)(p. 7714).
14. BRETTON WOODS AGREEMENTS. Continued debate on H.R. 3314, to provide for U.S. participation in the International Monetary Fund and the International Bank for Reconstruction and Reconversion (pp. 7723-51).  
Sen. McMahon, Conn., inserted a Conn. Legislature memorial favoring these agreements (p. 7714).
15. FOOD ADMINISTRATION. Sen. Morse, Oreg., criticized handling of the food situation by this Department, OPA, WFA, and others, and inserted sundry statements on the Oreg. lamb problem (pp. 7753-6).  
Sen. Cordon, Oreg., criticized OPA's livestock slaughter and meat distribution order, stating, "It is such an eloquent example of how not to administer that Office" (pp. 7719-20).
16. LATIN AMERICA. Sen. Butler, Nebr., inserted a newspaper article, "United States is Called Santa Claus of Latin America," which states that our billions have not necessarily furthered the cause of democracy (p. 7719).
17. NOMINATION. Confirmed the nomination of Fred A. Vinson to be Secretary of the Treasury (pp. 7761).



The article in Service Stripe is as follows:

**EX-COLUMNIST BOB ALLEN TACKLES THE JOB OF MAKING ONE HAND DO WRITING FOR TWO**

Drop in on the typing class over in the reconditioning shops almost any afternoon and you'll find a stocky, rugged-looking colonel, sweat standing out on his brow, grimly pounding away at a typewriter with his left hand.

A few years back, when Bob Allen hunched over his Underwood like that, you could bet somebody's head would roll by morning. As coauthor with Drew Pearson of the column Washington Merry-Go-Round, the paragraphs that streamed from his typewriter toppled scoundrels from high places, inspired reforms and built reputations over night.

Now he's content to pound away by the hour at "the quick red fox jumped over the lazy brown dog" and "now is the time for all good people to come to the aid of the party."

**ONE HAND FOR TWO**

Content? No—Bob Allen probably never felt content about anything in his life. He's too restless, too inquisitive, too aggressive, too determined. Right now he's determined to learn to type with his one remaining hand with the same agility he used to have after 25 years' practice with two.

It's tough going.

"I've worked seriously and analytically," he says. "Three hours a day. I've taken a beating from this thing. I've made some progress. But regardless of speed, I've got to learn to write without thinking. I've been trying to reconstruct how I used to type, but I did it so unconsciously I can't remember. Now I have to think about it to write 'the dog has come back'."

It's typical of Bob Allen that he won't pat himself on the back over the fact that he can already type 20 words a minute with one hand in 1 month's time. But according to his teacher, Mrs. K. D. Chapman, a person with two hands would have trouble doing as well.

**CAN BE DONE**

"It can be done, though," Colonel Allen admits. "There's no reason why a one-armed man can't learn to type just about as well as anyone. But it's not easy. And it can't be accomplished fast. It takes time, patience, and practice. Just plenty of plain, hard plugging."

It was because he felt that he ought to be making faster progress that Colonel Allen became interested in the possibilities of an improved keyboard.

As Mrs. Chapman says, "You can give him the best there is and he's still not satisfied. He's got to find out for himself that it's the best—or find out how it can be made better."

Colonel Allen has turned this same intense, searching interest onto the subject of prostheses.

"I'm looking forward to the time," he says, "when the science of electronics and hydraulics and physics, which we're using so miraculously for destruction and dismemberment, can be turned to the reconstruction of amputees. It can't be done overnight, of course. It requires the same sort of organizing that was used to harness the forces to war."

**PRAISES WALTER REED**

Colonel Allen was chief of combat intelligence for General Patton, and he's a lot like his two-listed boss. He's tough and blunt and outspoken. And he's as outspoken in his enthusiasms as he is in his other opinions. He thinks Patton is the greatest field commander the United States Army has had since the Civil War, ranking with

Stonewall Jackson, Phil Sheridan, and Jeb Stuart.

He's formed some opinions about Walter Reed, too.

"The medical personal, and surgical treatment at Walter Reed, and also the rehabilitation work, are wonderful," he says. "They're outstanding—certainly the equal of the best in the world and superior to most. I haven't met one disagreeable person here, and that goes for the highest to the lowest. Everyone has been gracious and considerate. They go out of their way to find what is wanted and do it. Some of the surgery I've seen here is miraculous."

**WOUNDED IN GERMANY**

Colonel Allen has been undergoing therapy treatment since his arrival at Walter Reed a month ago, in preparation for surgery on his right arm.

He was wounded last April when his reconnaissance party ran into a defended road block near Ordrup, Germany. Three of his group were killed, two wounded. He was hit in the arm by automatic fire at 100 yards, captured, and his right arm amputated by German surgeons. He guesses they did as good a job as they could, considering that they had only paper bandages and the rest of their equipment was no better. Three days later he was rescued when Americans took the town.

"I wouldn't be here if it weren't for penicillin," he says. "My arm was badly infected, but penicillin cleared it up in 3 days."

Colonel Allen enlisted in the last war, got his commission in 1918, served until 1920. He was a major in the Reserve when called to active duty in the spring of 1942.

He will return to the newspaper business when the war is finally won. But right now he's got more important things on his mind. He's got to learn to make that left hand take the place of two. So he mops his brow, writhes his right shoulder a couple of times to relieve the prodding ache, and plunges back into the keys.

"I think here I am, 45, trying to relearn something I learned 25 years ago. But then I think what the hell, it's got to be done. So I do it."

**A BIPARTISAN PEACE**

The **SPEAKER**. Under previous order of the House, the gentleman from Arkansas [Mr. HAYS] is recognized for 10 minutes.

Mr. HAYS. Mr. Speaker, I ask unanimous consent to include at the conclusion of my remarks radio addresses made by the gentleman from Minnesota [Mr. Judd] and myself, and also to revise and extend my remarks.

The **SPEAKER**. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. HAYS. Mr. Speaker, at the opening of this session of Congress the gentleman from Minnesota [Mr. Judd] and I introduced identical resolutions, No. 3 and No. 7, which were similar to resolutions that we had previously introduced in the Seventy-eighth Congress. In substance, the resolution provides for a bipartisan peace. It reads, as follows:

Whereas it is the sense of the Congress that measures involved in the establishment of a peace to follow the present hostilities should be considered without reference to partisanship: Therefore, be it

*Resolved by the House of Representatives (the Senate concurring), That all legislation pertaining to participation by the United States in international agreements and machinery to establish and to maintain peace*

shall be the joint responsibility of the majority and minority parties.

Mr. Speaker, this is the only way by which we can assure our people and the people of the world that both parties intend to cooperate in maintaining a continuing program for peace. We have seen the successful consummation of the war in Europe and we pray for an early end to the war in the Pacific. The war that we fought was not a Democratic or a Republican war, it was an American war effort and unless we want to lose this war after winning it, the gentleman from Minnesota [Mr. Judd] and I are convinced that we must work without partisanship for a national foreign policy that will be stable, continuing, and predictable, an American policy and not just a Republican or Democratic policy.

Mr. **PRIEST**. Mr. Speaker, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Tennessee.

Mr. **PRIEST**. I just want to express my appreciation for the interest that the gentleman from Arkansas and the gentleman from Minnesota have taken in this matter. I have felt for a long while, and I am sure the gentleman shares my feeling in that respect, that the time has come when we must have a national foreign policy rather than a political foreign policy regardless of what party it might represent.

I hope that the Committee on Foreign Affairs will give consideration to the resolution now pending before that committee and report it to the House. I commend the gentleman for his stand in that particular.

Mr. HAYS. I am very grateful to the gentleman from Tennessee for his comment.

Mr. Speaker, I would like to quote very briefly from a statement by Mr. Barnet Nover, appearing in the Washington Post on May 26. In speaking of the San Francisco Conference he said:

Here in San Francisco one of the most heartening aspects of the Conference has been the yeoman service rendered by Commander Harold Stassen and Senator ARTHUR H. VANDENBERG. The fact that both are Republicans has made a particular impression on the delegates, since it has reflected the extraordinarily significant fact that on this great issue of international security there are no longer any party lines in America.

"Because we need the resources of both the Republican and the Democratic Parties, it seems to us that it is incumbent upon the Congress now to fix joint and equal responsibility upon the parties so that they may share equally in the credit and may pledge their joint resources to the preservation of the peace that is being won at such a great cost."

I also wish to quote a statement that appeared in the minority report on the legislation pertaining to the extension of lend-lease. It appeared at page 5 of the minority report which accompanied H. R. 2013. This report, signed by five members of the minority, uses the following language:

The undersigned are all Republicans. We wish to do our part in determining a foreign policy which is not a Democratic policy or a Republican policy, but an American policy.



I wish to emphasize here the use of the language "determining a policy" for after all the responsibility for a foreign policy is that of the Congress and it is to be determined by the Congress, and that is well recognized by these gentlemen of the minority who stated that they endorse this idea of bipartisan determination of our foreign policy. The report quoted the following language used by President Roosevelt on March 1:

The structure of world peace cannot be the work of one man, or one party, or one nation.

Mr. Speaker, when the gentleman from Minnesota [Mr. Judd] and I presented this idea to the country in a Nation-wide broadcast sponsored by the National Broadcasting Co., we were heartened by the responses that we received. I quote part of a letter from Walter T. Fisher, son of a member of the Cabinet of President Taft. He said:

I am heartily in favor of the views taken by you and Mr. Judd.

In the same mail there came a letter from Eugene Underwood, nephew of a great Democrat, Oscar Underwood, to the same effect. I use these two quotations as being representative of Democratic and Republican sentiment throughout the Nation. So I trust that the Committee on Foreign Affairs will see fit to give our resolution a favorable report and I am confident that the members will recognize that we are offering a practical method of achieving a foreign policy free from partisanship.

#### EXTENSION OF REMARKS

Mr. SABATH asked and was given permission to revise and extend the remarks he made earlier today.

Mr. PATMAN asked and was given permission to extend his remarks in the RECORD and include certain statements and excerpts.

Mr. CLEMENTS (at the request of Mr. PRIEST) was given permission to extend his remarks in the RECORD and include the text of an address delivered by Secretary Anderson over the National Broadcasting Co. network.

#### CALENDAR WEDNESDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday of this week be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

#### EXTENSION OF REMARKS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an article by Dr. Pan Chao-ying entitled "China's Contribution to the United Nations." I am informed by the Public Printer that this will exceed two pages of the RECORD and will cost \$121.40, but I ask that it be printed notwithstanding that fact.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a speech recently made by Under Secretary of War Robert P. Patterson. I am informed by the Public Printer that this will exceed 2 pages of the RECORD and will cost \$86.80, but I ask that it be printed notwithstanding that fact.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. SABATH asked and was given permission to extend his remarks in the RECORD and include an article from the St. Louis Post-Dispatch.

#### SUSPENSION OF THE RULES

Mr. RANKIN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. RANKIN. It is my understanding that the resolution for adjournment will come within the next day or two. I want to know if there is going to be a period in which the Chair will recognize Members to move to suspend the rules under certain circumstances.

The SPEAKER. It is not in order.

Mr. RANKIN. It would be in order?

The SPEAKER. It would not be in order.

Mr. RANKIN. It would not be in order? Then, if the House should adjourn this week, we will not have another suspension day?

The SPEAKER. That is correct.

Mr. RANKIN. The reason I am asking is that I have some veterans' bills which have been reported from the Veterans' Committee that I would like to take up. But if I cannot get a suspension, probably I can get a rule.

Mrs. ROGERS of Massachusetts. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentlewoman will state it.

Mrs. ROGERS of Massachusetts. Of course, Mr. Speaker, if the Chair recognized anyone for unanimous consent, any bill may be brought up?

The SPEAKER. That is correct, if there is no objection.

Mrs. ROGERS of Massachusetts. I thank the Speaker.

#### PERMISSION TO ADDRESS THE HOUSE

Mr. HAVENNER. Mr. Speaker, I ask unanimous consent that tomorrow, after the disposition of business on the Speaker's desk and following any special orders heretofore entered, I may be permitted to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

#### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. HARE, for 1 week, on account of official business.

To Mr. JOHNSON of California, for 10 days, on account of official business.

#### SENATE ENROLLED BILL SIGNED

The SPEAKER announced the signature to an enrolled bill of the Senate of the following title:

S. 512. An act for the relief of Mr. and Mrs. Arthur R. Books.

#### BILLS PRESENTED TO THE PRESIDENT

Mr. ROGERS of New York, from the Committee on Enrolled Bills, reported that that committee did on the following dates present to the President, for his approval, bills of the House of the following titles:

On July 13, 1945:

H. R. 259. An act for the relief of Leo Gottlieb;

H. R. 2615. An act to provide for reimbursement of certain Navy personnel and former Navy personnel for personal property lost or damaged as the result of a fire at the outlying degaussing branch of the Norfolk Navy Yard, Portsmouth, Va., on December 4, 1942;

H. R. 2853. An act to reimburse certain Navy personnel and former Navy personnel for personal property lost or damaged as the result of a fire in the United States naval hospital, Seattle, Wash., on May 10, 1944; and

H. R. 3376. An act to fix and regulate the salaries of teachers, school officers, and other employees of the Board of Education of the District of Columbia, and for other purposes.

On July 14, 1945:

H. R. 3368. An act making appropriations for war agencies for the fiscal year ending June 30, 1946, and for other purposes.

#### ADJOURNMENT

Mr. PRIEST. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 59 minutes p. m.) the House adjourned until tomorrow, Wednesday, July 18, 1945, at 12 o'clock noon.

#### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. O'TOOLE: Committee on the Library. H. R. 3243. A bill to amend the act entitled "An act to establish a National Archives of the United States Government, and for other purposes": without amendment (Rept. No. 925). Referred to the Committee of the Whole House on the State of the Union.

Mr. RANKIN: Committee on World War Veterans' Legislation. H. R. 3749. A bill to amend the Servicemen's Readjustment Act of 1944 to provide for a readjustment allowance for all veterans of World War II; with amendment (Rept. No. 926). Referred to the Committee of the Whole House on the State of the Union.

Mr. TOLAN: Committee on the Judiciary. H. J. Res. 225. Joint resolution to quiet the titles of the respective States, and others, to lands beneath tidewaters and lands beneath navigable waters within the boundaries of such States and to prevent further clouding of such titles; without amendment (Rept. No. 927). Referred to the Committee of the Whole Houses on the State of the Union.

Mr. ELLIOTT: Joint Committee on the Disposition of Executive Papers. House Report No. 928. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. ELLIOTT: Joint Committee on the Disposition of Executive Papers. House Report No. 929. Report on the disposition of certain

AMENDING THE SERVICEMEN'S READJUSTMENT ACT  
OF 1944 TO PROVIDE FOR A READJUSTMENT ALLOW-  
ANCE FOR ALL VETERANS OF WORLD WAR II

JULY 17, 1945.—Committed to the Committee of the Whole House on the State  
of the Union and ordered to be printed

Mr. RANKIN, from the Committee on World War Veterans' Legislation,  
submitted the following

R E P O R T

[To accompany H. R. 3749]

The Committee on World War Veterans' Legislation, to whom was referred the bill (H. R. 3749), to amend the Servicemen's Readjustment Act of 1944 to provide for a readjustment allowance for all veterans of World War II, having considered the same, report favorably thereon, with the following amendments, and recommend that the bill as so amended do pass:

Page 9, line 24, change "officers" to "officer".

Page 15, line 24, change "institution" to "institutions".

Page 21, line 19, after "of", insert "the".

Page 21, line 21, change "guaranteed" to "guaranteed".

Page 22, line 6, before "An", insert "(a)".

Page 22, after line 23, insert the following:

(b) All national banks wherever located and all other banks and trust companies located in the District of Columbia and other Territories and possessions of the United States, without regard to the limitations and restrictions of any other statute or ruling of the Federal Reserve Board, are authorized to make any loans guaranteed under the provisions of the Servicemen's Readjustment Act of 1944, as the same is now or may hereby be amended.

Page 23, line 2, after "dwelling", strike "or" and substitute in lieu thereof "on".

Page 26, line 11, strike "face" and insert in lieu thereof "unpaid balance".

Page 32, line 18, change "works" to "work".

Page 32, line 25, before "Notwithstanding", insert "(a)".

Page 44, line 5, change "too" to "to".

Page 46, beginning line 7, strike the period, strike all of lines 8, 9, and 10, and strike that part of line 11 preceding "for".



Page 46, beginning line 24, after "the", strike the remainder of line 24, strike line 25 through the period, and insert in lieu thereof "chairmen of such committees."

Page 47, line 5, change "(e)" to "(b)".

Page 47, line 11, change "(d)" to "(c)".

#### PURPOSE OF THE BILL

The Servicemen's Readjustment Act of 1944, was approved June 22, 1944. Beginning with the convening of the Seventy-ninth Congress numerous bills were introduced proposing various changes in the act. Your committee conducted hearings and met in executive session on numerous occasions to consider proposed changes. In addition to proposals made on which no bills were before the committee and much correspondence on the subject, 39 bills referred to the committee received study preparatory to recommendations contained in this bill, as reported. Your committee determined upon a reenactment of the Servicemen's Readjustment Act of 1944, with certain amendments found justifiable.

#### EFFECTS OF THE BILL

The bill will reenact, with amendments, the Servicemen's Readjustment Act of 1944, to be known as the "Servicemen's Readjustment Act of 1945."

Title I of the act, pertaining to hospitalization, claims, and procedures, would be amended to liberalize the provisions of section 104 to insure ample authority governing the procurement of prosthetic appliances and services in connection therewith to the disabled veterans, including necessary travel expenses. Section 302 would be clarified to use the proper reference to the retiring board of the Navy, namely, "Board of Medical Survey."

Title II of the act, pertaining to education of veterans, would be liberalized by extending the time in which a course can be initiated from 2 to 4 years after either the date of discharge or the termination of the present war, whichever is the later, and by extending the period during which education or training may be afforded, from 7 to 9 years after the termination of the present war. It will provide for short intensive postgraduate or vocational courses of less than 30 weeks with a provision that there shall be charged against the veteran's period of eligibility the proportion of an ordinary school year which the cost bears to \$500. The rate of subsistence allowance will be changed from \$50 to \$60 per month if the veteran is without a dependent or dependents and from \$75 to \$85 per month if he has a dependent or dependents.

The bill also provides for the inclusion of correspondence schools within the term "educational or training institutions," with appropriate amendments to the title to preclude payment of subsistence allowance while pursuing a course in a correspondence school and to include such courses within the provisions pertaining to payments to institutions. Provision is also made that the Government shall pay for the correspondence courses quarterly as the course is completed, and no correspondence school shall be approved unless it was in existence prior to the date of the act.

The loan title III of the Servicemen's Readjustment Act has been completely revised; essentially, the eligibility and objectives are retained. The bill would extend the time within which application for a loan may be made, from 2 to 6 years after separation from the military or naval forces or after termination of the war, whichever is the later date, but in no event more than 8 years (now 5 years) after the termination of the war. The bill provides that the eligible veteran may apply to any of the established lending agencies set forth in the bill for a loan for the purposes set forth in the title in any amount that may be agreed upon between the lender and the veteran, and when such loan is made by the lender the lender is automatically guaranteed 50 percent of the loan by the Administrator of Veterans' Affairs and the act is the guaranty. The aggregate amount guaranteed shall not exceed \$2,000. It is provided that no loan shall be negotiated until 30 days after the date of the veteran's discharge. It will be noted that the application may be approved by the lending agency rather than the Administrator of Veterans' Affairs.

The bill as reported amends the loan title in several respects so as to conform with the purpose of simplifying the loan procedure and to remove complications in connection therewith. The bill provides that an honorable discharge shall be the veteran's certificate of eligibility to apply for a guaranteed loan, and veterans who have a discharge other than honorable or dishonorable shall receive from the Administrator upon request after discharge a certificate of eligibility. Upon making a loan the lender will endorse on the back of the honorable discharge or certificate in lieu of discharge or certificate of eligibility, the date and amount of the loan and shall also forthwith transmit to the Administrator a statement setting forth the full name and serial number of the veteran, amount and terms of the loan, and the legal description of the property. No approval of the loan shall be required by the Administrator. The title is revised to conform with this change.

The bill specifies that loans may be made by any Federal Reserve bank, National bank, State bank, private bank, building and loan association, insurance company, or mortgage and loan company established prior to the date of this act, and any other lending institution or any person approved by the Administrator. The bill further provides that all national banks wherever located and all other banks and trust companies located in the District of Columbia and other Territories and possessions of the United States, without regard to the limitations and restrictions of any other statute or ruling of the Federal Reserve Board, are authorized to make any loans guaranteed under the Servicemen's Readjustment Act of 1944, as the same is now or may hereby be amended.

The title, in connection with loans for homes, farms, or business property, substitutes for "reasonable normal value thereof as determined by proper appraisal" contained in the present law, the language "reasonable value thereof as determined by the lender's appraisal."

The title also provides that in the event the veteran defaults in payment of his loan and after suit or foreclosure and sale the deficiency is determined, then upon notification from the lender, the Administrator of Veterans' Affairs shall pay to the lender its guaranty not in excess of \$2,000 and not in excess of the deficiency, and be subrogated to the rights of the lender to the extent of the amount paid on the

guaranty. It is provided that prior to suit or foreclosure, the lender shall notify the Administrator, and within 30 days thereafter the Administrator may, at his option, pay the lender the unpaid balance of the loan plus accrued interest and receive an assignment of the loan and security and thereafter sue or foreclose in the name of the Veterans' Administration.

Title IV, pertaining to the employment of veterans, is reenacted without amendment.

Title V, pertaining to readjustment allowances, is reenacted without amendment.

Title VI of the act is reenacted without amendment except to add an additional section No. 1506, which provides that any proposed regulation or order to carry out the purposes of this act, other than intra-agency administrative rules or orders governing the conduct of its activities or interagency rules governing relations with other governmental agencies, shall, before becoming effective, be submitted to the Committee on Finance of the Senate and to the Committee on World War Veterans' Legislation of the House of Representatives. If neither committee acts within 15 days the rule or order would become effective. If approved by either committee, it would become effective immediately upon such approval, and if disapproved by either committee it would not be issued. It is provided that in the event of conflicting committee actions the earlier action shall govern. Provision is made for such committees or duly authorized subcommittees to sit and act during sessions, recesses, and adjourned periods of Congress. It is provided that this amendment shall be effective from the date of its approval.

#### RAMSEYER RULE

While the bill to a large extent reenacts the existing law, certain sections contain specific amendments.

In accordance with the provisions of clause 2a, rule XIII, of the Rules of the House of Representatives, the changes in the present law made by the various sections of the bill are shown as follows (existing law proposed to be omitted is in black brackets; new matter is in italics; existing law in which no changes are proposed is shown in roman):

#### TITLE I

##### CHAPTER I—HOSPITALIZATION, CLAIMS, AND PROCEDURES

SEC. 100. The Veterans' Administration is hereby declared to be an essential war agency and entitled, *second only to the War and Navy Departments*, to [priority equal to the highest granted any department or agency of the Government] *priorities* in personnel, [service, space,] equipment, supplies, and material under any laws, Executive orders, and regulations pertaining to priorities [ ]. During the continuance of the present war and for six months after its termination, the Administrator is authorized, for the purpose of extending benefits to veterans and dependents, and to the extent he deems necessary, to procure the necessary space for administrative, clinical, medical, and outpatient treatment purposes by lease, purchase, or construction of buildings, or by condemnation or declaration of taking, pursuant to existing statutes.], and in appointments of personnel from *civil-service registers the Administrator of Veterans' Affairs is hereby granted the same authority and discretion as the War and Navy Departments and the United States Public Health Service: Provided, That the provisions of this section as to priorities for materials shall apply to any State institution to be built for the care or hospitalization of veterans.*



SEC. 104. No person shall be discharged or released from active duty in the armed forces until his certificate of discharge or release from active duty and final pay, or a substantial portion thereof, are ready for delivery to him or to his next of kin or legal representative; and no person shall be discharged or released from active service on account of disability until and unless he has executed a claim for compensation, pension, or hospitalization, to be filed with the Veterans' Administration or has signed a statement that he has had explained to him the right to file such claim: *Provided*, That this section shall not preclude immediate transfer to a veterans' facility for necessary hospital care, nor preclude the discharge of any person who refuses to sign such claim or statement: *And provided further*, That refusal or failure to file a claim shall be without prejudice to any right the veteran may subsequently assert.

Any [person] *veteran* entitled to a prosthetic appliance shall be [entitled, in addition to necessary] *furnished such fitting and training, including institutional training [,] in the use of such appliance as may be necessary*, whether in a [service or a] Veterans' Administration [hospital] *facility, other training institution, or by out-patient treatment, including such service under contract and including necessary travel expenses to and from their homes to such hospital or training institution*

*The Administrator of Veterans' Affairs may procure any and all items mentioned herein, including necessary services required in the fitting, supplying, and training in use of such items by purchase, manufacture, contract, or in such other manner as the Administrator may determine to be proper without regard to any other provision of law.*

SEC. 302. (a) The Secretary of War, the Secretary of the Navy, and the Secretary of the Treasury are authorized and directed to establish, from time to time, boards of review composed of five commissioned officers, two of whom shall be selected from the Medical Corps of the Army or Navy, or from the Public Health Service, as the case may be. It shall be the duty of any such board to review, at the request of any officer retired or released to inactive service, without pay, for physical disability pursuant to the decision of a retiring board *or board of medical survey*, the findings and decision of such retiring board *or board of medical survey*. Such review shall be based upon all available service records, relating to the officer requesting such review, and such other evidence as may be presented by such officer. Witnesses shall be permitted to present testimony either in person or by affidavit, and the officer requesting review shall be allowed to appear before such board of review in person or by counsel. In carrying out its duties under this section such board of review shall have the same powers as exercised by, or vested in, the retiring board whose findings and decision are being reviewed. The proceedings and decision of each such board of review affirming or reversing the decision of the retiring board shall be transmitted to the Secretary of War, the Secretary of the Navy, or the Secretary of the Treasury, as the case may be, and shall be laid by him before the President for his approval or disapproval and orders in the case.

(b) No request for review under this section shall be valid unless filed within fifteen years after the date of retirement for disability or after the effective date of this Act, whichever is the later.

(c) As used in this section—

(1) the term "officer" means any officer subject to the laws granting retirement for active service in the Army, Navy, Marine Corps, or Coast Guard, or any of their respective components;

(2) the term "counsel" shall have the same meaning as when used in section 301 of this Act.

## TITLE II

### CHAPTER IV—EDUCATION OF VETERANS

SEC. 400. (a) Subsection (f) of section 1, title I, Public Law Numbered 2, Seventy-third Congress, added by the Act of March 24, 1943 (Public Law Numbered 16, Seventy-eighth Congress), is hereby amended to read as follows:

"(f) Any person who served in the active military or naval forces on or after September 16, 1940, and prior to the termination of hostilities in the present war, shall be entitled to vocational rehabilitation subject to the provisions and limitations of Veterans Regulation Numbered 1 (a), as amended, part VII, or to education or training subject to the provisions and limitations of part VIII."

(b) Veterans Regulation Numbered 1 (a), is hereby amended by adding a new part VIII, as follows:



## "PART VIII

"1. Any person who served in the active military or naval service on or after September 16, 1940, and prior to the termination of the present war, and who shall have been discharged or released therefrom under conditions other than dishonorable, and whose education or training was impeded, delayed, interrupted, or interfered with by reason of his entrance into the service, or who desires a refresher or retraining course, and who either shall have served ninety days or more, exclusive of any period he was assigned for a course of education or training under the Army specialized training program or the Navy college training program, which course was a continuation of his civilian course and was pursued to completion, or as a cadet or midshipman at one of the service academies, or shall have been discharged or released from active service by reason of an actual service-incurred injury or disability, shall be eligible for and entitled to receive education or training under this part: *Provided*, That such course shall be initiated not later than [two] four years after either the date of his discharge or the termination of the present war, whichever is the later: *Provided further*, That no such education or training shall be afforded beyond [seven] nine years after the termination of the present war: *And provided further*, That any such person who was not over 25 years of age at the time he entered the service shall be deemed to have had his education or training impeded, delayed, interrupted, or interfered with.

"2. Any such eligible person shall be entitled to education or training, or a refresher or retraining course, at an approved educational or training institution, for a period of one year (or the equivalent thereof in continuous part-time study), or for such lesser time as may be required for the course of instruction chosen by him. Upon satisfactory completion of such course of education or training, according to the regularly prescribed standards and practices of the institutions, except a refresher or retraining course, such person shall be entitled to an additional period or periods of education or training, not to exceed the time such person was in the active service on or after September 16, 1940, and before the termination of the war, exclusive of any period he was assigned for a course of education or training under the Army specialized training program or the Navy college training program, which course was a continuation of his civilian course and was pursued to completion, or as a cadet or midshipman at one of the service academies, but in no event shall the total period of education or training exceed four years: *Provided*, That his work continues to be satisfactory throughout the period, according to the regularly prescribed standards and practices of the institution: *Provided, however*, That wherever the additional period of instruction ends during a quarter or semester and after a major part of such quarter or semester has expired such period of instruction shall be extended to the termination of such unexpired quarter or semester.

"3. (a) Such person shall be eligible for and entitled to such course of education or training as he may elect, and at any approved educational or training institution at which he chooses to enroll, whether or not located in the State in which he resides, which will accept or retain him as a student or trainee in any field or branch of knowledge which such institution finds him qualified to undertake or pursue: *Provided*, That, for reasons satisfactory to the Administrator, he may change a course of instruction: *And provided further*, That any such course of education or training may be discontinued at any time, if it is found by the Administrator that, according to the regularly prescribed standards and practices of the institution, the conduct or progress of such person is unsatisfactory.

"(b) Any such eligible person may apply for a short, intensive, postgraduate or vocational training course of less than 30 weeks: *Provided*, That the Administrator shall have the authority to contract with approved institutions for such courses if he finds that the agreed cost of such courses is reasonable and fair: *Provided further*, That the limitation of paragraph 5 shall not prevent the payment of such agreed rates, but there shall be charged against the veteran's period of eligibility the proportion of an ordinary school year which the cost of the course bears to \$500.

"4. From time to time the Administrator shall secure from the appropriate agency of each State a list of the educational and training institutions (including industrial establishments), within such jurisdiction, which are qualified and equipped to furnish education or training (including apprenticeship and refresher or retraining training), which institutions, together with such additional ones as may be recognized and approved by the Administrator, shall be deemed qualified and approved to furnish education or training to such persons as shall enroll under this part: *Provided*, That wherever there are established State apprenticeship agencies expressly charged by State laws to administer apprentice

training, whenever possible, the Administrator shall utilize such existing facilities and services in training on the job when such training is of one year's duration or more.

• "5. The Administrator shall pay to the educational or training institution, for each person enrolled in full time [or], part time, or *correspondence* course of education or training, the customary cost of tuition, and such laboratory, library, health, infirmary, and other similar fees as are customarily charged, and may pay for books, supplies, equipment, and other necessary expenses, exclusive of board, lodging, other living expenses, and travel, as are generally required for the successful pursuit and completion of the course by other students in the institution: *Provided*, That in no event shall such payments, with respect to any person, exceed \$500 for an ordinary school year: *Provided further*, That no payments shall be made to [institution] *institutions*, business or other establishments furnishing apprentice training on the job: *And provided further*, That if any such institution has no established tuition fee, or if its established tuition fee shall be found by the Administrator to be inadequate compensation to such institution for furnishing such education or training, he is authorized to provide for the payment, with respect to any such person, of such fair and reasonable compensation as will not exceed \$500 for an ordinary school year.

"6. While enrolled in and pursuing a course *other than a course in a correspondence school* under this part, such person, upon application to the Administrator, shall be paid a subsistence allowance of [~~\$50~~] \$60 per month, if without a dependent or dependents, or [~~\$75~~] \$85 per month, if he has a dependent or dependents, including regular holidays and leave not exceeding thirty days in a calendar year. Such person attending a course on a part-time basis, and such person receiving compensation for productive labor performed as part of their apprentice or other training on the job at institutions, business or other establishments, shall be entitled to receive such lesser sums, if any, as subsistence or dependency allowances, as may be determined by the Administrator: *Provided*, That any such person eligible under this part, and within the limitations thereof, may pursue such full time or part-time course or courses as he may elect, without subsistence allowance.

"7. Any such person eligible for the benefits of this part, who is also eligible for the benefit of part VII, may elect which benefit he desires: *Provided*, That, in the event of such election, subsistence allowance hereunder shall not exceed the amount of additional pension payable for training under said part VII.

"8. No department, agency, or officer of the United States, in carrying out the provisions of this part, shall exercise any supervision or control, whatsoever, over any State educational agency, or State apprenticeship agency, or any educational or training institution: *Provided*, That nothing in this section shall be deemed to prevent any department, agency, or officer of the United States from exercising any supervision or control which such department, agency, or officer is authorized, by existing provisions of law, to exercise over any Federal educational or training institution, or to prevent the furnishing of education or training under this part in any institution over which supervision or control is exercised by such other department, agency, or officer under authority of existing provisions of law.

"9. The Administrator of Veterans' Affairs is authorized and empowered to administer this title, and, insofar as he deems practicable, shall utilize existing facilities and services of Federal and State departments and agencies on the basis of mutual agreements with them. Consistent with and subject to the provisions and limitations set forth in this title, the Administrator shall, from time to time, prescribe and promulgate such rules and regulations as may be necessary to carry out its purposes and provisions.

"10. The Administrator may arrange for educational and vocational guidance to persons eligible for education and training under this part. At such intervals as he deems necessary, he shall make available information respecting the need for general education and for training personnel in the various crafts, trades, and professions: *Provided*, That facilities of other Federal agencies collecting such information shall be utilized to the extent he deems practicable.

"11. As used in this part, the term 'educational or training institutions' shall include all public or private elementary, secondary, and other schools furnishing education for adults, business schools and colleges, *correspondence schools*, scientific and technical institutions, colleges, vocational schools, junior colleges, teachers colleges, normal schools, professional schools, universities, and other educational institutions, and shall also include business or other establishments providing apprentice or other training on the job, including those under the supervision of an approved college or university or any State department of education, or any



State apprenticeship agency or State board of vocational education, or any State apprenticeship council or the Federal Apprentice Training Service established in accordance with Public, Numbered 308, Seventy-fifth Congress, or any agency in the executive branch of the Federal Government authorized under other laws to supervise such training."

"12. The Government shall pay for these correspondence courses quarterly as the course is completed.

"13. No correspondence school shall be approved unless it was in existence prior to the date of this Act.

### TITLE III—LOANS FOR THE PURCHASE OR CONSTRUCTION OF HOMES, FARMS, AND BUSINESS PROPERTY

#### CHAPTER V—GENERAL PROVISIONS FOR LOANS

SEC. 500. (a) Any person who shall have served in [the] active military or naval service of the United States at any time on or after September 16, 1940, and prior to the termination of the present war, and who shall have been discharged or released therefrom under conditions other than dishonorable after active service of ninety days or more, or by reason of an injury or disability incurred in service in line of duty, shall be eligible for [the] benefits of this title. Any such veteran may apply within [two] six years after separation from the military or naval forces, or [two] six years after termination of the war, whichever is the later date, but in no event more than [five] eight years after the termination of the war, to [the Administrator of Veterans' Affairs for the guaranty by the Administrator of not to exceed 50 per centum of a loan or loans for any of the purposes specified in sections 501, 502 and 503] any of the established lending agencies hereinafter set forth for a loan for the purposes set forth in the title in any amount that may be agreed upon between the lender and the veteran, and when such a loan is made by the lender the lender is automatically guaranteed 50 per centum of the loan by the Administrator of Veterans' Affairs and this Act is the guaranty: *Provided*, That the aggregate amount guaranteed shall not exceed \$2,000 [If the Administrator finds that the veteran is eligible for the benefits of this title and that the loan applied for appears practicable, the Administrator shall guarantee the payment of the part thereof as set forth in this title.]: *Provided further*, That no loan shall be negotiated until thirty days after the date of the veteran's discharge.

(b) Interest for the first year on that part of the loan guaranteed [by the Administrator] shall be paid by the Administrator out of available appropriations. [No security for the guaranty of a loan shall be required except the right to be subrogated to the lien rights of the holder of the obligation which is guaranteed: *Provided*, That pursuant to regulations to be issued by the Administrator the mortgagor and mortgagee shall agree that before beginning foreclosure proceedings for default in payment of principal or interest due, the Administrator shall have at least thirty days' notice with the option of bidding in the property on foreclosure or of refinancing the loan with any other agency or by any other means available.]

(c) [Loans guaranteed by the Administrator under this title shall be payable under such terms and conditions as may be approved by the Administrator: *Provided*, That the] The liability under the guaranty, within the limitations of this title, shall decrease or increase pro rata with any decrease or increase of the amount of the unpaid portion of the obligation: *Provided [further]*, That loans guaranteed [by the Administrator] shall bear interest at a rate not exceeding 4 per centum per annum and shall be payable in full in not more than twenty years. [The Administrator is authorized and directed to guarantee loans to veterans subject to the provisions of this title on approved applications made to persons, firms, associations, and corporations and to governmental agencies and corporations, either State or Federal.]

#### CERTIFICATE OF ELIGIBILITY

SEC. 501. (a) An honorable discharge shall be the veteran's certificate of eligibility to apply for a guaranteed loan. All veterans who have a discharge other than honorable or dishonorable shall receive from the Administrator upon request after discharge a certificate of eligibility. Upon the making of a loan as provided herein the lender shall endorse on the back of the honorable discharge or certificate, in lieu of discharge or certificate of eligibility, the date and amount of the loan and shall also forthwith transmit to the Administrator a statement setting forth the full name and serial number of the veteran, amount and terms of the loan, and the legal description of the property. No approval of the loan shall be required from the Administrator. Loans may

be made by any Federal Reserve bank, National bank, State bank, private bank, building and loan association, insurance company, or mortgage and loan company established prior to the date of this Act, and any other lending institution or any person approved by the Administrator.

(b) All national banks wherever located and all other banks and trust companies located in the District of Columbia and other Territories and possessions of the United States, without regard to the limitations and restrictions of any other statute or ruling of the Federal Reserve Board, are authorized to make any loans guaranteed under the provisions of the Servicemen's Readjustment Act of 1944, as the same is now or may hereby be amended.

#### PURCHASE OR CONSTRUCTION OF HOMES

SEC. [501. (a)] 502. (a) Any application made by a veteran under this title for [the guaranty of] a loan to be used in purchasing residential property or in constructing a dwelling [or] on unimproved property owned by him to be occupied as his home may be approved [by the Administrator of Veterans' Affairs] if [he] the lender finds—

(1) that the proceeds of such loans will be used for payment for such property to be purchased or constructed by the veteran;

(2) that the contemplated terms of payment required in any mortgage to be given in part payment of the purchase price or the construction cost bear a proper relation to the veteran's present and anticipated income and [expenses] expense; and that the nature and condition of the property is such as to be suitable for dwelling purposes; and

(3) that the purchase price paid or to be paid by the veteran for such property or the construction cost, including the value of the unimproved lot, does not exceed the reasonable [normal] value thereof as determined by [proper] the lender's appraisal.

(b) Any application for [the guaranty of] a loan under this section for the purpose of making repairs, alterations, or improvements in, or paying delinquent indebtedness, taxes, or special assessments on residential property owned by the veteran and used by him as his home, may be approved by the [Administrator] lender if [he finds that] the proceeds of such loan will be used for such purpose or purposes.

(c) No first mortgage shall be ineligible for insurance under the National Housing Act, as amended, by reason of any loan guaranteed under this title, or by reason of any secondary lien upon the property involved securing such loan.

#### PURCHASE OF FARMS AND FARM EQUIPMENT

SEC. [502] 503. Any application made under this title for the guaranty of a loan to be used in purchasing any land, [buildings] building, livestock, equipment, machinery, or implements, or in repairing, altering, or improving any buildings or equipment, to be used in farming operations conducted by the applicant, [or to purchase stock in a cooperative association where the purchase of such stock is required by Federal statute as an incident to obtaining a loan on which a guaranty is sought,] may be approved [by the Administrator of Veterans' Affairs] if [he] the lender finds—

(1) that the proceeds of such loan will be used in payment for real or personal property purchased or to be purchased by the veteran, or for repairing, altering, or improving any buildings or equipment, to be used in bona fide farming operations conducted by him;

(2) that such property will be useful in and reasonably necessary for efficiently conducting such operations;

(3) that the ability and experience of the veteran, and [the] nature of the proposed farming operations to be conducted by him, are such that there is a reasonable likelihood that such operations will be successful; and

(4) that the purchase price paid or to be paid by the veteran for such property does not exceed the reasonable [normal] value thereof as determined by [proper] the lender's appraisal.

#### PURCHASE OF BUSINESS PROPERTY

SEC. [503] 504. Any application made under this title for the guaranty of a loan to be used in purchasing any business, land, buildings, supplies, equipment,



machinery, or tools, to be used by the applicant in pursuing a gainful occupation (other than farming) may be approved [by the Administrator of Veterans' Affairs] if [he] the lender finds—

(1) that the proceeds of such loan will be used for payment for real or personal property purchased or to be purchased by the veteran and used by him in the bona fide pursuit of such gainful occupation;

(2) that such property will be useful in and reasonably necessary for the efficient and successful pursuit of such occupation;

(3) that the ability and experience of the veteran, and the conditions under which he proposes to pursue such occupation, are such that there is a reasonable likelihood that he will be successful in the pursuit of such occupation; and

(4) that the purchase price paid or to be paid by the veteran for such property does not exceed the reasonable [normal] value thereof as determined by [proper] the lender's appraisal.

[SEC. 504. The Administrator of Veterans' Affairs is authorized to promulgate such rules and regulations as are deemed necessary and appropriate for carrying out the provisions of this title, and may delegate to a subordinate employee authority to approve loans subject to the provisions of this title and the rules promulgated thereunder.

[SEC. 505. (a) The Administrator shall designate such agency or agencies, if any, as he finds equipped to determine whether the guarantee of loan should be approved under this title. In any case wherein a principal loan, for any of the purposes stated in section 501, 502, or 503, is approved by a Federal agency to be made or guaranteed or insured by it pursuant to applicable law and regulations, and the veteran is in need of a second loan to cover the remainder of the purchase price or cost, or a part thereof, the Administrator, subject otherwise to the provisions of this title, including the limitation of \$2,000 on the total amount which may be guaranteed, may guarantee the full amount of the second loan: *Provided*, That such second loan shall not exceed 20 per centum of the purchase price or cost and that the rate of interest thereon shall not exceed that on the principal loan by more than 1 per centum: *And provided further*, That regulations to be promulgated jointly by the Administrator and the head of such agency may provide for servicing of both loans by such agency and for refinancing of the principal loan to include any unpaid portion of the secondary loan with accrued interest, if any, after the curtailment thereon equals twice the amount of the secondary loan.

[(b) Any person who is found by the Administrator of Veterans' Affairs to be a veteran eligible for the benefits of this title, as provided in section 500 hereof, and who is found by the Secretary of Agriculture, by reason of his ability and experience, including training as a vocational trainee, to be likely to carry out successfully undertakings required of him under a loan which may be made under the Bankhead-Jones Farm Tenant Act, shall be eligible for the benefits of such Act to the same extent as if he were a farm tenant.]

SEC. 505. *In the event the veteran defaults in the payment of his loan and after suit or foreclosure and sale the deficiency is determined, then upon notification from the lender, the Administrator of Veterans' Affairs shall pay to the lender its guaranty not in excess of \$2,000 and not in excess of the deficiency, and be subrogated to the rights of the lender to the extent of the amount paid on the guaranty: Provided, That prior to suit or foreclosure the lender shall notify the Administrator, and within thirty days thereafter the Administrator may, at his option, pay the lender the [unpaid balance] of the loan plus accrued interest and receive an assignment of the loan and security and thereafter sue or foreclose in the name of the Veterans' Administration.*

## TITLE VI

### CHAPTER XV—GENERAL ADMINISTRATIVE AND PENAL PROVISIONS

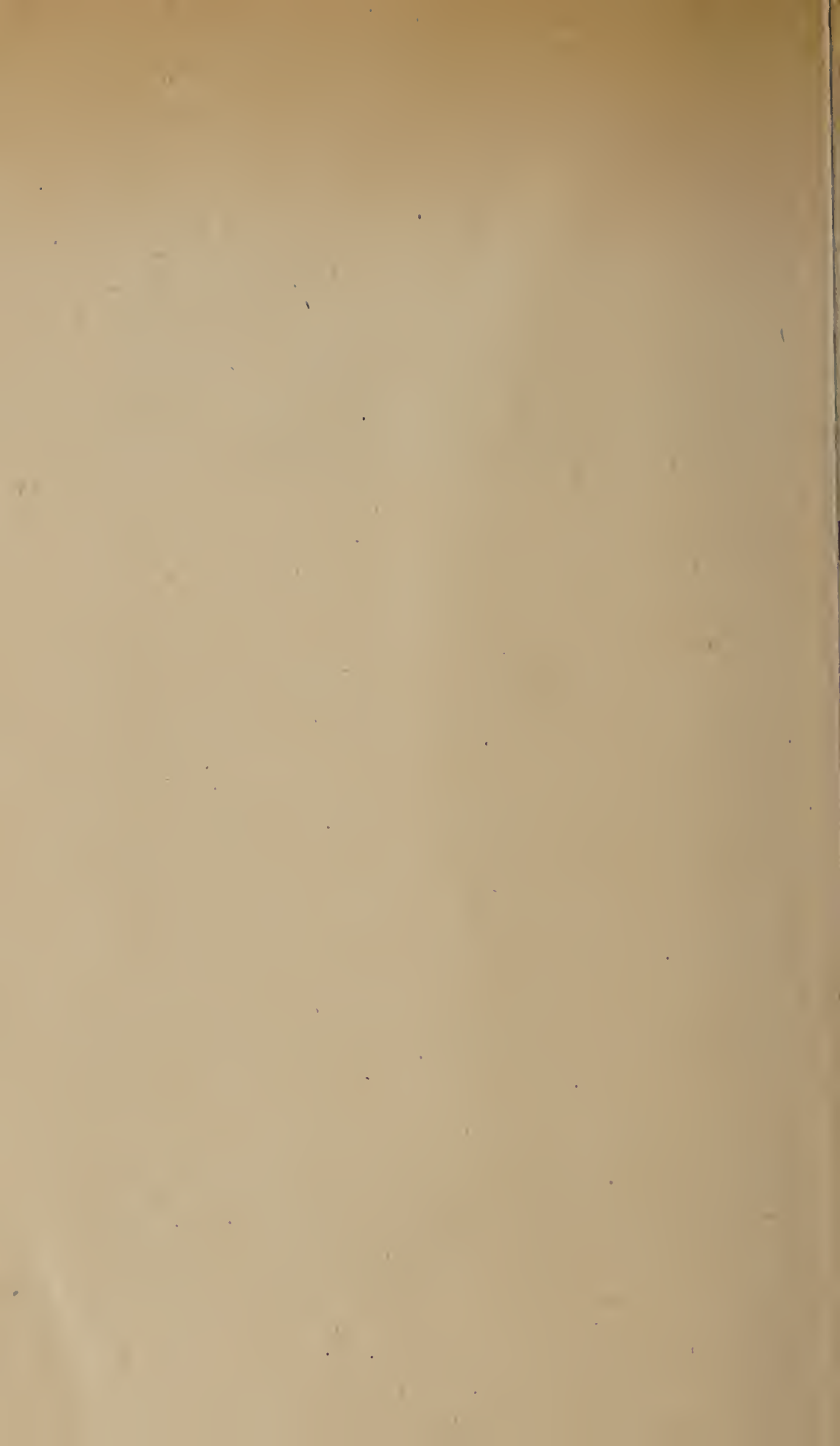
SEC. 1506. (a) *Before any proposed regulation or order to carry out the purposes of this Act shall be issued by any governmental agency exercising authority conferred hereunder, other than intra-agency administrative rules or orders governing the conduct of its activities or interagency rules governing relations with other agencies of the Government, a draft thereof shall be submitted to the Committee on Finance of the Senate of the United States and to the Committee on World War Veterans' Legislation of the House of Representatives[.]*

[(b)] The draft of such proposed regulation or order shall be immediately assigned to the Committee on Finance in the Senate and to the Committee on World War Veterans' Legislation in the House of Representatives,] *for study, to consider whether such rule or regulation is made in conformity with the spirit, letter, intent, and purpose of this Act, and that no unusual or unexpected use of powers herein granted is proposed. Such regulation or order may be approved or disapproved by the Committee on Finance of the Senate or by the Committee on World War Veterans' Legislation of the House of Representatives, or a duly authorized subcommittee of either. In the absence of action by either committee approving or disapproving such regulation or order, it may go into effect not earlier than the fifteenth day following, but not including the date of the receipt of the draft of such proposed regulation or order by the chairman of such committees [President of the Senate and the Speaker of the House of Representatives]. If sooner approved by either committee it may go into effect immediately upon such approval. Disapproval of such regulation or order by either committee shall suspend its issuance: Provided, That in the event of conflicting committee actions the earlier action shall govern.*

[(c)] (b) *For the purposes of this section the Committee on Finance of the Senate and the Committee on World War Veterans' Legislation of the House of Representatives, or any duly authorized subcommittees thereof, are authorized to sit and act during the sessions, recesses, and adjourned periods of the Congress.*

[(d)] (c) *This section shall be effective from the date of its approval.*





# Union Calendar No. 282

H. R. 3749

[Report No. 926]

## IN THE HOUSE OF REPRESENTATIVES

JULY 10, 1945

Mr. RANKIN introduced the following bill; which was referred to the Committee on World War Veterans' Legislation

JULY 17, 1945

Reported with amendments, committed to the Committee of the Whole House  
on the State of the Union, and ordered to be printed

[Omit the part struck through and insert the part printed in italic]

# A BILL

To amend the Servicemen's Readjustment Act of 1944 to provide for a readjustment allowance for all veterans of World War II.

1        *Be it enacted by the Senate and House of Representa-*  
2        *tives of the United States of America in Congress assembled,*  
3        That Public Law 346, Seventy-eighth Congress, be amended  
4        to read as follows:

5 That this Act may be cited as the "Servicemen's Re-  
6 adjustment Act of 1945".

7 TITLE I

8 CHAPTER I—HOSPITALIZATION, CLAIMS, AND

## 9 PROCEDURES

10 SEC. 100. The Veterans' Administration is hereby de-  
11 clared to be an essential war agency and entitled, second only



1 to the War and Navy Departments, to priorities in personnel,  
2 equipment, supplies, and material under any laws, Executive  
3 orders, and regulations pertaining to priorities, and in ap-  
4 pointments of personnel from civil-service registers the Ad-  
5 ministrator of Veterans' Affairs is hereby granted the same  
6 authority and discretion as the War and Navy Departments  
7 and the United States Public Health Service: *Provided*, That  
8 the provisions of this section as to priorities for materials shall  
9 apply to any State institution to be built for the care or hos-  
10 pitalization of veterans.

11 SEC. 101. The Administrator of Veterans' Affairs and  
12 the Federal Board of Hospitalization are hereby authorized  
13 and directed to expedite and complete the construction of  
14 additional hospital facilities for war veterans, and to enter  
15 into agreements and contracts for the use by or transfer to  
16 the Veterans' Administration of suitable Army and Navy  
17 hospitals after termination of hostilities in the present war  
18 or after such institutions are no longer needed by the armed  
19 services; and the Administrator of Veterans' Affairs is hereby  
20 authorized and directed to establish necessary regional offices,  
21 suboffices, branch offices, contact units, or other subordinate  
22 offices in centers of population where there is no Veterans'  
23 Administration facility, or where such a facility is not readily  
24 available or accessible: *Provided*, That there is hereby author-

1 ized to be appropriated the sum of \$500,000,000 for the con-  
2 struction of additional hospital facilities.

3 SEC. 102. The Administrator of Veterans' Affairs and  
4 the Secretary of War and Secretary of the Navy are hereby  
5 granted authority to enter into agreements and contracts for  
6 the mutual use or exchange of use of hospital and domiciliary  
7 facilities, and such supplies, equipment, and material as may  
8 be needed to operate properly such facilities, or for the trans-  
9 fer, without reimbursement of appropriations, of facilities, sup-  
10 plies, equipment, or material necessary and proper for author-  
11 ized care for veterans, except that at no time shall the Ad-  
12 ministrator of Veterans' Affairs enter into any agreement  
13 which will result in a permanent reduction of Veterans' Ad-  
14 ministration hospital and domiciliary beds below the number  
15 now established or approved, plus the estimated number re-  
16 quired to meet the load of eligibles under laws administered  
17 by the Veterans' Administration, or in any way subordinate  
18 or transfer the operation of the Veterans' Administration to  
19 any other agency of the Government.

20 Nothing in the Selective Training and Service Act of  
21 1940, as amended, or any other Act, shall be construed  
22 to prevent the transfer or detail of any commissioned, ap-  
23 pointed or enlisted personnel from the armed forces to the  
24 Veterans' Administration subject to agreements between the

1 Secretary of War or the Secretary of the Navy and the Ad-  
2 ministrator of Veterans' Affairs: *Provided*, That no such  
3 detail shall be made or extend beyond six months after the  
4 termination of the war.

5 SEC. 103. The Administrator of Veterans' Affairs shall  
6 have authority to place officials and employees designated by  
7 him in such Army and Navy installations as may be deemed  
8 advisable for the purpose of adjudicating disability claims of,  
9 and giving aid and advice to, members of the Army and  
10 Navy who are about to be discharged or released from active  
11 service.

12 SEC. 104. No person shall be discharged or released from  
13 active duty in the armed forces until his certificate of dis-  
14 charge or release from active duty and final pay, or a sub-  
15 stantial portion thereof, are ready for delivery to him or to  
16 his next of kin or legal representative; and no person shall  
17 be discharged or released from active service on account of  
18 disability until and unless he has executed a claim for com-  
19 pensation, pension, or hospitalization, to be filed with the  
20 Veterans' Administration or has signed a statement that  
21 he has had explained to him the right to file such claim:  
22 *Provided*, That this section shall not preclude immediate  
23 transfer to a veterans' facility for necessary hospital care, nor  
24 preclude the discharge of any person who refuses to sign  
25 such claim or statement: *And provided further*, That refusal



1 or failure to file a claim shall be without prejudice to any  
2 right the veteran may subsequently assert.

3 Any veteran entitled to a prosthetic appliance shall  
4 be furnished such fitting and training, including institutional  
5 training in the use of such appliance as may be necessary,  
6 whether in a Veterans' Administration facility, other train-  
7 ing institution, or by out-patient treatment, including such  
8 service under contract and including necessary travel expenses  
9 to and from their homes to such hospital or training insti-  
10 tution.

11 The Administrator of Veterans' Affairs may procure  
12 any and all items mentioned herein, including necessary serv-  
13 ices required in the fitting, supplying, and training in use of  
14 such items by purchase, manufacture, contract, or in such  
15 other manner as the Administrator may determine to be  
16 proper without regard to any other provision of law.

17 SEC. 105. No person in the armed forces shall be re-  
18 quired to sign a statement of any nature relating to the  
19 origin, incurrence, or aggravation of any disease or injury  
20 he may have, and any such statement against his own interest  
21 signed at any time, shall be null and void and of no force  
22 and effect.

## 23 CHAPTER II—AID BY VETERANS' ORGANIZATIONS

24 SEC. 200. (a) That upon certification to the Secretary  
25 of War or Secretary of the Navy by the Administrator of



1 Veterans' Affairs of paid full time accredited representatives  
2 of the veterans' organizations specified in section 200 of the  
3 Act of June 29, 1936 (Public Law Numbered 844, Seventy-  
4 fourth Congress), and other such national organizations rec-  
5 ognized by the Administrator of Veterans' Affairs thereunder  
6 in the presentation of claims under laws administered by the  
7 Veterans' Administration, the Secretary of War and Secre-  
8 tary of the Navy are hereby authorized and directed to permit  
9 the functioning, in accordance with regulations prescribed  
10 pursuant to subsection (b) of this section, of such accredited  
11 representatives in military or naval installations on shore from  
12 which persons are discharged or released from the active mili-  
13 tary or naval service: *Provided*, That nothing in this section  
14 shall operate to affect measures of military security now in  
15 effect or which may hereafter be placed in effect, nor to  
16 prejudice the right of the American Red Cross to recognition  
17 under existing statutes.

18 (b) The necessary regulations shall be promulgated by  
19 the Secretary of War and the Secretary of the Navy jointly  
20 with the Administrator of Veterans' Affairs to accomplish  
21 the purpose of this section, and in the preparation of such  
22 regulations the national officer of each of such veterans'  
23 organizations who is responsible for claims and rehabilitation  
24 activities shall be consulted. The commanding officer of each  
25 such military or naval installation shall cooperate fully with

1 such authorized representatives in the providing of available  
2 space and equipment for such representatives.

3 CHAPTER III—REVIEWING AUTHORITY

4 SEC. 300. The discharge or dismissal by reason of the  
5 sentence of a general court martial of any person from the  
6 military or naval forces, or the discharge of any such per-  
7 son on the ground that he was a conscientious objector who  
8 refused to perform military duty or refused to wear the  
9 uniform or otherwise to comply with lawful orders of  
10 competent military authority, or as a deserter, or of an offi-  
11 cer by the acceptance of his resignation for the good of  
12 the service, shall bar all rights of such person, based upon  
13 the period of service from which he is so discharged or  
14 dismissed, under any laws administered by the Veterans'  
15 Administration: *Provided*, That in the case of any such  
16 person, if it be established to the satisfaction of the Ad-  
17 ministrator that at the time of the commission of the of-  
18 fense such person was insane, he shall not be precluded from  
19 benefits to which he is otherwise entitled under the laws  
20 administered by the Veterans' Administration: *And pro-*  
21 *vided further*, That this section shall not apply to any war  
22 risk, Government (converted), or national service life-  
23 insurance policy.

24 SEC. 301. The Secretary of War and the Secretary of  
25 the Navy, after conference with the Administrator of Vet-

1   crans' Affairs, are authorized and directed to establish in the  
2   War and Navy Departments, respectively, boards of review  
3   composed of five members each, whose duties shall be to  
4   review, on their own motion or upon the request of a former  
5   officer or enlisted man or woman or, if deceased, by the sur-  
6   viving spouse, next of kin, or legal representative, the type  
7   and nature of his discharge or dismissal, except a discharge  
8   or dismissal by reason of the sentence of a general court  
9   martial. Such review shall be based upon all available  
10  records of the service department relating to the person  
11  requesting such review, and such other evidence as may be  
12  presented by such person. Witnesses shall be permitted to  
13  present testimony either in person or by affidavit and the  
14  person requesting review shall be allowed to appear before  
15  such board in person or by counsel: *Provided*, That the term  
16  “counsel” as used in this section shall be construed to in-  
17  clude, among others, accredited representatives of veterans'  
18  organizations recognized by the Veterans' Administration  
19  under section 200 of the Act of June 29, 1936 (Public Law  
20  Numbered 844, Seventy-fourth Congress). Such board shall  
21  have authority, except in the case of a discharge or dismissal  
22  by reason of the sentence of a general court martial, to  
23  change, correct, or modify any discharge or dismissal, and to  
24  issue a new discharge in accord with the facts presented to  
25  the board. The Articles of War and the Articles for the



1 Government of the Navy are hereby amended to authorize  
2 the Secretary of War and the Secretary of the Navy to  
3 establish such boards of review, the findings thereof to be  
4 final subject only to review by the Secretary of War or the  
5 Secretary of the Navy, respectively: *Provided*, That no  
6 request for review by such board of a discharge or dismissal  
7 under the provisions of this section shall be valid unless  
8 filed within fifteen years after such discharge or dismissal  
9 or within fifteen years after the effective date of this Act  
10 whichever be the later.

11 SEC. 302. (a) The Secretary of War, the Secretary of  
12 the Navy, and the Secretary of the Treasury are authorized  
13 and directed to establish, from time to time, boards of review  
14 composed of five commissioned officers, two of whom shall  
15 be selected from the Medical Corps of the Army or Navy,  
16 or from the Public Health Service, as the case may be. It  
17 shall be the duty of any such board to review, at the request  
18 of any officer retired or released to inactive service, without  
19 pay, for physical disability pursuant to the decision of a retir-  
20 ing board or board of medical survey, the findings and  
21 decision of such retiring board or board of medical survey.  
22 Such review shall be based upon all available service records  
23 relating to the ~~officers~~ *officer* requesting such review, and such  
24 other evidence as may be presented by such officer. Wit-



1 nesses shall be permitted to present testimony either in person  
2 or by affidavit, and the officer requesting review shall be  
3 allowed to appear before such board of review in person or by  
4 counsel. In carrying out its duties under this section such  
5 board of review shall have the same powers as exercised by, or  
6 vested in, the retiring board whose findings and decision are  
7 being reviewed. The proceedings and decision of each such  
8 board of review affirming or reversing the decision of the  
9 retiring board shall be transmitted to the Secretary of War,  
10 the Secretary of the Navy, or the Secretary of the Treasury,  
11 as the case may be, and shall be laid by him before the  
12 President for his approval or disapproval and orders in the  
13 case.

14 (b) No request for review under this section shall be  
15 valid unless filed within fifteen years after the date of retire-  
16 ment for disability or after the effective date of this Act,  
17 whichever is the later.

18 (c) As used in this section—

19 (1) the term “officer” means any officer subject to  
20 the laws granting retirement for active service in the  
21 Army, Navy, Marine Corps, or Coast Guard, or any of  
22 their respective components;

23 (2) the term “counsel” shall have the same mean-  
24 ing as when used in section 301 of this Act.

## TITLE II

## CHAPTER IV—EDUCATION OF VETERANS

SEC. 400. (a) Subsection (f) of section 1, title I, Public Law Numbered 2, Seventy-third Congress, added by the Act of March 24, 1943 (Public Law Numbered 16, Seventy-eighth Congress), is hereby amended to read as follows:

“(f) Any person who served in the active military or naval forces on or after September 16, 1940, and prior to the termination of hostilities in the present war, shall be entitled to vocational rehabilitation subject to the provisions and limitations of Veterans Regulation Numbered 1 (a), as amended, part VII, or to education or training subject to the provisions and limitations of part VIII.”

(b) Veterans Regulation Numbered 1 (a), is hereby amended by adding a new part VIII, as follows:

## “PART VIII

“1. Any person who served in the active military or naval service on or after September 16, 1940, and prior to the termination of the present war, and who shall have been discharged or released therefrom under conditions other than dishonorable, and whose education or training was impeded, delayed, interrupted, or interfered with by reason of his entrance into the service, or who desires a refresher

1 or retraining course, and who either shall have served ninety  
2 days or more, exclusive of any period he was assigned for  
3 a course of education or training under the Army specialized  
4 training program or the Navy college training program,  
5 which course was a continuation of his civilian course and  
6 was pursued to completion, or as a cadet or midshipman  
7 at one of the service academies, or shall have been dis-  
8 charged or released from active service by reason of an  
9 actual service-incurred injury or disability, shall be eligible  
10 for and entitled to receive education or training under this  
11 part: *Provided*, That such course shall be initiated not later  
12 than four years after either the date of his discharge or  
13 the termination of the present war, whichever is the later:  
14 *Provided further*, That no such education or training shall  
15 be afforded beyond nine years after the termination of the  
16 present war: *And provided further*, That any such person  
17 who was not over 25 years of age at the time he entered  
18 the service shall be deemed to have had his education or  
19 training impeded, delayed, interrupted, or interfered with.  
20 "2. Any such eligible person shall be entitled to educa-  
21 tion or training, or a refresher or retraining course, at an  
22 approved educational or training institution, for a period  
23 of one year (or the equivalent thereof in continuous part-time  
24 study), or for such lesser time as may be required for the  
25 course of instruction chosen by him. Upon satisfactory com-

1 pletion of such course of education or training, according to  
2 the regularly prescribed standards and practices of the insti-  
3 tutions, except a refresher or retraining course, such person  
4 shall be entitled to an additional period or periods of educa-  
5 tion or training, not to exceed the time such person was in  
6 the active service on or after September 16, 1940, and  
7 before the termination of the war, exclusive of any period  
8 he was assigned for a course of education or training under  
9 the Army specialized training program or the Navy college  
10 training program, which course was a continuation of his  
11 civilian course and was pursued to completion, or as a cadet  
12 or midshipman at one of the service academies, but in no  
13 event shall the total period of education or training exceed  
14 four years: *Provided*, That his work continues to be satis-  
15 factory throughout the period, according to the regularly  
16 prescribed standards and practices of the institution: *Pro-*  
17 *vided, however*, That wherever the additional period of in-  
18 struction ends during a quarter or semester and after a major  
19 part of such quarter or semester has expired, such period of  
20 instruction shall be extended to the termination of such  
21 unexpired quarter or semester.

22 "3. (a) Such person shall be eligible for and entitled to  
23 such course of education or training as he may elect, and at  
24 any approved educational or training institution at which he  
25 chooses to enroll, whether or not located in the State in which



1 he resides, which will accept or retain him as a student or  
2 trainee in any field or branch of knowledge which such  
3 institution finds him qualified to undertake or pursue: *Pro-*  
4 *vided*, That, for reasons satisfactory to the Administrator,  
5 he may change a course of instruction: *And provided further*,  
6 That any such course of education or training may be dis-  
7 continued at any time, if it is found by the Administrator  
8 that, according to the regularly prescribed standards and  
9 practices of the institution, the conduct or progress of such  
10 person is unsatisfactory.

11 “(b) Any such eligible person may apply for a short,  
12 intensive, postgraduate or vocational training course of less  
13 than 30 weeks: *Provided*, That the Administrator shall  
14 have the authority to contract with approved institutions  
15 for such courses if he finds that the agreed cost of such  
16 courses is reasonable and fair: *Provided further*, That the  
17 limitation of paragraph 5 shall not prevent the payment of  
18 such agreed rates, but there shall be charged against the  
19 veteran's period of eligibility the proportion of an ordinary  
20 school year which the cost of the course bears to \$500.

21 “4. From time to time the Administrator shall secure  
22 from the appropriate agency of each State a list of the edu-  
23 cational and training institutions (including industrial estab-  
24 lishments), within such jurisdiction, which are qualified and  
25 equipped to furnish education or training (including ap-

1 prenticeship and refresher or retraining training), which in-  
2 stitutions, together with such additional ones as may be  
3 recognized and approved by the Administrator, shall be  
4 deemed qualified and approved to furnish education or  
5 training to such persons as shall enroll under this part: *Pro-*  
6 *vided*, That wherever there are established State apprentice-  
7 ship agencies expressly charged by State laws to administer  
8 apprentice training, whenever possible, the Administrator  
9 shall utilize such existing facilities and services in training  
10 on the job when such training is of one year's duration or  
11 more.

12 "5. The Administrator shall pay to the educational or  
13 training institution, for each person enrolled in full time, part  
14 time, or correspondence course of education or training, the  
15 customary cost of tuition, and such laboratory, library, health,  
16 infirmary, and other similar fees as are customarily charged,  
17 and may pay for books, supplies, equipment, and other  
18 necessary expenses, exclusive of board, lodging, other living  
19 expenses, and travel, as are generally required for the suc-  
20 cessful pursuit and completion of the course by other students  
21 in the institution: *Provided*, That in no event shall such  
22 payments, with respect to any person, exceed \$500 for an  
23 ordinary school year: *Provided further*, That no payments  
24 shall be made to ~~institution~~ *institutions*, business or other  
25 establishments furnishing apprentice training on the job: *And*

1 *provided further*, That if any such institution has no estab-  
2 lished tuition fee, or if its established tuition fee shall be found  
3 by the Administrator to be inadequate compensation to such  
4 institution for furnishing such education or training, he is  
5 authorized to provide for the payment, with respect to any  
6 such person, of such fair and reasonable compensation as  
7 will not exceed \$500 for an ordinary school year.

8       “6. While enrolled in and pursuing a course other  
9 than a course in a correspondence school under this part,  
10 such person, upon application to the Administrator, shall  
11 be paid a subsistence allowance of \$60 per month, if  
12 without a dependent or dependents, or \$85 per month, if  
13 he has a dependent or dependents, including regular holidays  
14 and leave not exceeding thirty days in a calendar year.  
15 Such person attending a course on a part-time basis, and  
16 such person receiving compensation for productive labor  
17 performed as part of their apprentice or other training on  
18 the job at institutions, business or other establishments, shall  
19 be entitled to receive such lesser sums, if any, as subsistence  
20 or dependency allowances, as may be determined by the  
21 Administrator: *Provided*, That any such person eligible  
22 under this part, and within the limitations thereof, may pursue  
23 such full time or part-time course or courses as he may elect,  
24 without subsistence allowance.

25       “7. Any such person eligible for the benefits of this



1 part, who is also eligible for the benefit of part VII, may  
2 elect which benefit he desires: *Provided*, That, in the event  
3 of such election, subsistence allowance hereunder shall not  
4 exceed the amount of additional pension payable for training  
5 under said part VII.

6 “8. No department, agency, or officer of the United  
7 States, in carrying out the provisions of this part, shall exer-  
8 cise any supervision or control, whatsoever, over any State  
9 educational agency, or State apprenticeship agency, or any  
10 educational or training institution: *Provided*, That nothing  
11 in this section shall be deemed to prevent any department,  
12 agency, or officer of the United States from exercising any  
13 supervision or control which such department, agency, or  
14 officer is authorized, by existing provisions of law, to exer-  
15 cise over any Federal educational or training institution, or  
16 to prevent the furnishing of education or training under  
17 this part in any institution over which supervision or control  
18 is exercised by such other department, agency, or officer  
19 under authority of existing provisions of law.

20 “9. The Administrator of Veterans' Affairs is authorized  
21 and empowered to administer this title, and, insofar as he  
22 deems practicable, shall utilize existing facilities and services  
23 of Federal and State departments and agencies on the basis  
24 of mutual agreements with them. Consistent with and sub-



1 ject to the provisions and limitations set forth in this title,  
2 the Administrator shall, from time to time, prescribe and  
3 promulgate such rules and regulations as may be necessary  
4 to carry out its purposes and provisions.

5 “10. The Administrator may arrange for educational  
6 and vocational guidance to persons eligible for education and  
7 training under this part. At such intervals as he deems  
8 necessary, he shall make available information respecting  
9 the need for general education and for training personnel in  
10 the various crafts, trades, and professions: *Provided*, That  
11 facilities of other Federal agencies collecting such informa-  
12 tion shall be utilized to the extent he deems practicable.

13 “11. As used in this part, the term ‘educational or  
14 training institutions’ shall include all public or private ele-  
15 mentary, secondary, and other schools furnishing education  
16 for adults, business schools and colleges, correspondence  
17 schools, scientific and technical institutions, colleges, voca-  
18 tional schools, junior colleges, teachers’ colleges, normal  
19 schools, professional schools, universities, and other educa-  
20 tional institutions, and shall also include business or other  
21 establishments providing apprentice or other training on  
22 the job, including those under the supervision of an ap-  
23 proved college or university or any State department of  
24 education, or any State apprenticeship agency or State  
25 board of vocational education, or any State apprenticeship

1 council or the Federal Apprentice Training Service  
2 established in accordance with Public, Numbered 308, Sev-  
3 enty-fifth Congress, or any agency in the executive branch  
4 of the Federal Government authorized under other laws to  
5 supervise such training.”

6 “12. The Government shall pay for these correspondence  
7 courses quarterly as the course is completed.

8 “13. No correspondence school shall be approved unless  
9 it was in existence prior to the date of this Act.

10 SEC. 401. Section 3, Public Law Numbered 16,  
11 Seventy-eighth Congress, is hereby amended to read as  
12 follows:

13 “SEC. 3. The appropriation for the Veterans’ Adminis-  
14 tration, ‘Salaries and expenses, medical and hospital, and  
15 compensation and pensions’, shall be available for necessary  
16 expenses under part VII, as amended, or part VIII of  
17 Veterans Regulation Numbered 1 (a), and there is hereby  
18 authorized to be appropriated such additional amount or  
19 amounts as may be necessary to accomplish the purposes  
20 thereof. Such expenses may include, subject to regulations  
21 issued by the Administrator and in addition to medical care,  
22 treatment, hospitalization, and prosthesis, otherwise author-  
23 ized, such care, treatment, and supplies as may be necessary  
24 to accomplish the purposes of part VII, as amended, or  
25 part VIII of Veterans Regulation Numbered 1 (a).

1        SEC. 402. Public Law Numbered 16, Seventy-eighth  
2 Congress, is hereby amended by adding thereto a new  
3 section 4 to read as follows:

4        “SEC. 4. Any books, supplies, or equipment furnished  
5 a trainee or student under part VII or part VIII of Veterans  
6 Regulation Numbered 1 (a) shall be deemed released to  
7 him: *Provided*, That if he fail, because of fault on his part  
8 to complete the course of training or education afforded  
9 thereunder, he may be required, in the discretion of the  
10 Administrator, to return any or all of such books, supplies,  
11 or equipment not actually expended or to repay the reason-  
12 able value thereof.”

13        SEC. 403. Paragraph 1, part VII, Veterans Regulation  
14 Numbered 1 (a) (Public Law Numbered 16, Seventy-  
15 eighth Congress), is hereby amended by inserting after the  
16 word “time” the words “on or” and deleting the date  
17 “December 6, 1941” and substituting therefor the date  
18 “September 16, 1940”.

19 TITLE III—LOANS FOR THE PURCHASE OR CON-  
20 STRUCTION OF HOMES, FARMS, AND BUSI-  
21 NESS PROPERTY

22 CHAPTER V—GENERAL PROVISIONS FOR LOANS

23        SEC. 500. (a) Any person who shall have served in  
24 active military or naval service of the United States at any  
25 time on or after September 16, 1940, and prior to the



1 termination of the present war, and who shall have been  
2 discharged or released therefrom under conditions other  
3 than dishonorable after active service of ninety days or  
4 more, or by reason of an injury or disability incurred in  
5 service in line of duty, shall be eligible for benefits of this  
6 title. Any such veteran may apply within six years after  
7 separation from the military or naval forces, or six years  
8 after termination of the war, whichever is the later date,  
9 but in no event more than eight years after the termination  
10 of the war, to any of the established lending agencies here-  
11 inafter set forth for a loan for the purposes set forth in the  
12 title in any amount that may be agreed upon between the  
13 lender and the veteran, and when such a loan is made by  
14 the lender the lender is automatically guaranteed 50 per  
15 centum of the loan by the Administrator of Veterans' Affairs  
16 and this Act is the guaranty: *Provided*, That the aggregate  
17 amount guaranteed shall not exceed \$2,000: *Provided*  
18 *further*, That no loan shall be negotiated until thirty days  
19 after the date of *the* veteran's discharge.

20 (b) Interest for the first year on that part of the loan  
21 ~~guaranteed~~ *guaranteed* shall be paid by the Administrator  
22 out of available appropriations.

23 (c) The liability under the guaranty, within the lim-  
24 itations of this title, shall decrease or increase pro rata



1 with any decrease or increase of the amount of the unpaid  
2 portion of the obligation: *Provided*, That loans guaranteed  
3 shall bear interest at a rate not exceeding 4 per centum per  
4 annum and shall be payable in full in not more than twenty  
5 years.

6 CERTIFICATE OF ELIGIBILITY

7 SEC. 501. (a) An honorable discharge shall be the  
8 veteran's certificate of eligibility to apply for a guaranteed  
9 loan. All veterans who have a discharge other than honor-  
10 able or dishonorable shall receive from the Administrator upon  
11 request after discharge a certificate of eligibility. Upon the  
12 making of a loan as provided herein the lender shall en-  
13 dorse on the back of the honorable discharge or certificate,  
14 in lieu of discharge or certificate of eligibility, the date and  
15 amount of the loan and shall also forthwith transmit to the  
16 Administrator a statement setting forth the full name and  
17 serial number of the veteran, amount and terms of the loan,  
18 and the legal description of the property. No approval of  
19 the loan shall be required from the Administrator. Loans  
20 may be made by any Federal Reserve bank, National bank,  
21 State bank, private bank, building and loan association,  
22 insurance company, or mortgage and loan company estab-  
23 lished prior to the date of this Act, and any other lending  
24 institution or any person approved by the Administrator.  
25 (b) All national banks wherever located and all other

1 *banks and trust companies located in the District of Columbia*  
2 *and other Territories and possessions of the United States,*  
3 *without regard to the limitations and restrictions of any other*  
4 *statute or ruling of the Federal Reserve Board, are authorized*  
5 *to make any loans guaranteed under the provisions of the*  
6 *Servicemen's Readjustment Act of 1944, as the same is now or*  
7 *may hereby be amended.*

8 PURCHASE OR CONSTRUCTION OF HOMES

9 SEC. 502. (a) Any application made by a veteran  
10 under this title for a loan to be used in purchasing resi-  
11 dential property or in constructing a dwelling or on un-  
12 improved property owned by him to be occupied as his home  
13 may be approved if the lender finds—

14 (1) that the proceeds of such loans will be used  
15 for payment for such property to be purchased or con-  
16 structed by the veteran;

17 (2) that the contemplated terms of payment re-  
18 quired in any mortgage to be given in part payment  
19 of the purchase price or the construction cost bear a  
20 proper relation to the veteran's present and anticipated  
21 income and expense; and that the nature and condition  
22 of the property is such as to be suitable for dwelling  
23 purposes; and

24 (3) that the purchase price paid or to be paid  
25 by the veteran for such property or the construction

1 cost, including the value of the unimproved lot, does  
2 not exceed the reasonable value thereof as determined  
3 by the lender's appraisal.

4 (b) Any application for a loan under this section for  
5 the purpose of making repairs, alterations, or improvements  
6 in, or paying delinquent indebtedness, taxes, or special as-  
7 sessments on residential property owned by the veteran and  
8 used by him as his home, may be approved by the lender  
9 if the proceeds of such loan will be used for such purpose or  
10 purposes.

11 (c) No first mortgage shall be ineligible for insurance  
12 under the National Housing Act, as amended, by reason  
13 of any loan guaranteed under this title, or by reason of any  
14 secondary lien upon the property involved securing such  
15 loan.

16 PURCHASE OF FARMS AND FARM EQUIPMENT

17 SEC. 503. Any application made under this title for the  
18 guaranty of a loan to be used in purchasing any land, building,  
19 livestock, equipment, machinery, or implements, or in re-  
20 pairing, altering, or improving any buildings or equipment,  
21 to be used in farming operations conducted by the applicant,  
22 may be approved if the lender finds—

23 (1) that the proceeds of such loan will be used in  
24 payment for real or personal property purchased or to

1 be purchased by the veteran, or for repairing, altering, or  
2 improving any buildings or equipment, to be used in bona  
3 fide farming operations conducted by him;

4 (2) that such property will be useful in and reason-  
5 ably necessary for efficiently conducting such operations;

6 (3) that the ability and experience of the veteran,  
7 and nature of the proposed farming operations to be con-  
8 ducted by him, are such that there is a reasonable likeli-  
9 hood that such operations will be successful; and

10 (4) that the purchase price paid or to be paid by  
11 the veteran for such property does not exceed the reason-  
12 able value thereof as determined by the lender's appraisal.

13 PURCHASE OF BUSINESS PROPERTY

14 SEC. 504. Any application made under this title for the  
15 guaranty of a loan to be used in purchasing any business,  
16 land, buildings, supplies, equipment, machinery, or tools, to  
17 be used by the applicant in pursuing a gainful occupation  
18 (other than farming) may be approved if the lender finds—

19 (1) that the proceeds of such loan will be used for  
20 payment for real or personal property purchased or  
21 to be purchased by the veteran and used by him in  
22 the bona fide pursuit of such gainful occupation;

23 (2) that such property will be useful in and



1       reasonably necessary for the efficient and successful  
2       pursuit of such occupation;

3           (3) that the ability and experience of the veteran,  
4       and the conditions under which he proposes to pursue  
5       such occupation, are such that there is a reasonable  
6       likelihood that he will be successful in the pursuit of  
7       such occupation; and

8           (4) that the purchase price paid or to be paid by  
9       the veteran for such property does not exceed the  
10      reasonable value thereof as determined by the lender's  
11      appraisal.

12      SEC. 505. In the event the veteran defaults in the pay-  
13      ment of his loan and after suit or foreclosure and sale the  
14      deficiency is determined, then upon notification from the  
15      lender, the Administrator of Veterans' Affairs shall pay  
16      to the lender its guaranty not in excess of \$2,000 and not  
17      in excess of the deficiency, and be subrogated to the rights  
18      of the lender to the extent of the amount paid on the  
19      guaranty: *Provided*, That prior to suit or foreclosure the  
20      lender shall notify the Administrator, and within thirty days  
21      thereafter the Administrator may, at his option, pay the  
22      lender the ~~face~~ *unpaid balance* of the loan plus accrued  
23      interest and receive an assignment of the loan and security  
24      and thereafter sue or foreclose in the name of the Veterans'  
25      Administration.

## TITLE IV

## CHAPTER VI—EMPLOYMENT OF VETERANS

SEC. 600. (a) In the enactment of the provisions of this title Congress declares as its intent and purpose that there shall be an effective job counseling and employment placement service for veterans, and that, to this end, policies shall be promulgated and administered, so as to provide for them the maximum of job opportunity in the field of gainful employment. For the purpose there is hereby created to cooperate with and assist the United States Employment Service, as established by the provisions of the Act of June 6, 1933, a Veterans' Placement Service Board, which shall consist of the Administrator of Veterans' Affairs, as Chairman, the Director of the National Selective Service System, and the Administrator of the Federal Security Agency, or whoever may have the responsibility of administering the functions of the United States Employment Service. The Board shall determine all matters of policy relating to the administration of the Veterans' Employment Service of the United States Employment Service.

(b) The Chairman of the Board shall have direct authority and responsibility for carrying out its policies through the veterans' employment representatives in the several States or through persons engaged in activities authorized by subsection (g) of section 8 of the Selective Serv-

1 ice Act of 1940 (Public Law 783, Seventy-sixth Congress,  
2 approved September 16, 1940, as amended (U. S. C.,  
3 title 50, sec. 308) ). The Chairman may delegate such  
4 authority to an executive secretary who shall be appointed  
5 by him and who shall thereupon be the Chief of the Veter-  
6 ans' Employment Service of the United States Employment  
7 Service.

8 (c) The public records of the Veterans' Personnel Divi-  
9 sion, National Selective Service System, and the Veterans'  
10 Employment Service of the United States Employment  
11 Service shall be available to the Board.

12 SEC. 601. The United States Employment Service shall  
13 assign to each of the States a veterans' employment repre-  
14 sentative, who shall be a veteran of the wars of the United  
15 States separated from active service under honorable condi-  
16 tions, who at the time of appointment shall have been a bona  
17 fide resident of the State for at least two years, and who shall  
18 be appointed, subject to the approval of the Board, in accord-  
19 ance with the civil-service laws, and whose compensation  
20 shall be fixed in accordance with the Classification Act of  
21 1923, as amended. Each such veterans' employment repre-  
22 sentative shall be attached to the staff of the public employ-  
23 ment service in the State to which he has been assigned. He  
24 shall be administratively responsible to the Board, through  
25 its executive secretary, for the execution of the Board's vet-

1 erans' placement policies through the public employment  
2 service in the State. In cooperation with the public employ-  
3 ment service staff in the State, he shall—

4 (a) be functionally responsible for the supervision  
5 of the registration of veterans in local employment offices  
6 for suitable types of employment and for placement of  
7 veterans in employment;

8 (b) assist in securing and maintaining current in-  
9 formation as to the various types of available employ-  
10 ment in public works and private industry or business;

11 (c) promote the interest of employers in employing  
12 veterans;

13 (d) maintain regular contact with employers and  
14 veterans' organizations with a view of keeping em-  
15 ployers advised of veterans available for employment  
16 and veterans advised of opportunities for employment;  
17 and

18 (e) assist in every possible way in improving work-  
19 ing conditions and the advancement of employment of  
20 veterans.

21 SEC. 602. Where deemed necessary by the Board, there  
22 shall be assigned by the administrative head of the employ-  
23 ment service in the State one or more employees, preferably  
24 veterans, of the staffs of local employment service offices,  
25 whose services shall be primarily devoted to discharging



1 the duties prescribed for the veterans' employment repre-  
2 sentative.

3 SEC. 603. All Federal agencies shall furnish the Board  
4 such records, statistics, or information as may be deemed  
5 necessary or appropriate in administering the provisions of  
6 this title, and shall otherwise cooperate with the Board in  
7 providing continuous employment opportunities for veterans.

8 SEC. 604. The Federal agency administering the United  
9 States Employment Service shall maintain that Service as an  
10 operating entity and, during the period of its administration,  
11 shall effectuate the provisions of this title.

12 SEC. 605. (a) The Board through its executive secre-  
13 tary shall estimate the funds necessary for the proper and  
14 efficient administration of this title; such estimated sums shall  
15 include the annual amounts necessary for salaries, rents,  
16 printing and binding, travel, and communications. Sums  
17 thus estimated shall be included as a special item in the an-  
18 nual budget of the United States Employment Service. Any  
19 funds appropriated pursuant to this special item as contained  
20 in the budget of the United States Employment Service shall  
21 not be available for any purpose other than that for which  
22 they were appropriated, except with the approval of the  
23 Board.

24 (b) The War Manpower Commission shall from its  
25 current appropriation allocate and make available sufficient

1 funds to carry out the provisions of this title during the  
2 current fiscal year.

3 SEC. 606. The term "United States Employment Serv-  
4 ice" as used in this title means that bureau created by the  
5 provisions of the Act of June 6, 1933, or such successor  
6 agencies as from time to time shall perform its functions and  
7 duties, as now performed by the War Manpower Commission.

8 SEC. 607. The term "veteran" as used in this title shall  
9 mean a person who served in the active service of the armed  
10 forces during a period of war in which the United States  
11 has been, or is, engaged, and who has been discharged or  
12 released therefrom under conditions other than dishonorable.

## 13 TITLE V

### 14 CHAPTER VII—READJUSTMENT ALLOWANCES FOR 15 FORMER MEMBERS OF THE ARMED FORCES WHO 16 ARE UNEMPLOYED

17 SEC. 700. (a) Any person who shall have served in  
18 the active military or naval service of the United States at  
19 any time after September 16, 1940, and prior to the ter-  
20 mination of the present war, and who shall have been  
21 discharged or released from active service under conditions  
22 other than dishonorable, after active service of ninety days  
23 or more, or by reason of an injury or disability incurred in  
24 service in line of duty, shall be entitled, in accordance with  
25 the provisions of this title and regulations issued by the

1 Administrator of Veterans' Affairs pursuant thereto, to re-  
2 ceive a readjustment allowance as provided herein for each  
3 week of unemployment, not to exceed a total of fifty-two  
4 weeks, which (1) begins after the first Sunday of the third  
5 calendar month after the date of enactment hereof, and  
6 (2) occurs not later than two years after discharge or re-  
7 lease, or the termination of the war, whichever is the later  
8 date: *Provided*, That no such allowance shall be paid for  
9 any period for which he receives increased pension under  
10 part VII of Veterans Regulation 1 (a) or a subsistence  
11 allowance under part VIII of such regulation: *Provided*  
12 *further*, That no readjustment allowance shall be payable  
13 for any week commencing more than five years after the  
14 termination of hostilities in the present war.

15 (b) Such person shall be deemed eligible to receive an  
16 allowance for any week of unemployment if claim is made  
17 for such allowance and the Administrator finds with respect  
18 to such week that—

19 (1) the person is residing in the United States at  
20 the time of such claim;

21 (2) the person is completely unemployed, having  
22 performed no service and received no wages, or is par-  
23 tially unemployed in that services have been performed  
24 for less than a full workweek and the wages for the week  
25 are less than the allowance under this title plus \$3;

(3) the person is registered with and continues to report to a public employment office, in accordance with its regulations;

(4) the person is able to work and available for suitable ~~works~~ work: *Provided*, That no claimant shall be considered ineligible in any period of continuous unemployment for failure to comply with the provisions of this subparagraph if such failure is due to an illness or disability which occurs after the commencement of such period.

#### CHAPTER VIII—DISQUALIFICATIONS

SEC. 800. (a) Notwithstanding the provisions of section 700, a claimant shall be disqualified from receiving an allowance if—

(1) he leaves suitable work voluntarily, without good cause, or is suspended or discharged for misconduct in the course of employment;

(2) he, without good cause, fails to apply for suitable work to which he has been referred by a public employment office, or to accept suitable work when offered him; or

(3) he, without good cause, does not attend an available free training course as required by regulations issued pursuant to the provisions of this title.

(b) Notwithstanding the provisions of section 700, a



1 claimant shall also be disqualified from receiving an allow-  
2 ance for any week with respect to which it is found that his  
3 unemployment is due to a stoppage of work which exists  
4 because of a labor dispute at the factory, establishment, or  
5 other premises at which he is or was last employed: *Pro-*  
6 *vided*, That this subsection shall not apply if it is shown  
7 that—

8 (1) he is not participating in or directly interested  
9 in the labor dispute which causes the stoppage of work;  
10 and

11 (2) he does not belong to a grade or class of work-  
12 ers of which, immediately before the commencement  
13 of the stoppage there were members employed at the  
14 premises at which the stoppage occurs, any of whom are  
15 participating in or directly interested in the dispute:  
16 *Provided, however*, That if in any case separate branches  
17 of work, which are commonly conducted as separate  
18 business in separate premises, are conducted in separate  
19 departments of the same premises, each such department  
20 shall, for the purposes of this subsection, be deemed to be  
21 a separate factory, establishment, or other premises.

22 (c) (1) If a claimant is disqualified under the provisions  
23 of subsection (a) of this section, he shall be disqualified to  
24 receive any readjustment allowance for the week in which

1 the cause of his disqualification occurred and for not more  
2 than four immediately following weeks.

3 (2) In addition to the disqualification prescribed in  
4 paragraph (1) above, the Administrator may, in cases of  
5 successive disqualifications under the provisions of subsection  
6 (a) of this section, extend the period of disqualification for  
7 such additional period as the Administrator may prescribe,  
8 but not to exceed eight additional weeks in the case of any  
9 one disqualification.

10 (d) (1) In determining under subsection (a) of this  
11 section the suitability of work or the existence of good cause  
12 with respect to a claimant, the conditions and standards pre-  
13 scribed by the unemployment compensation laws of the  
14 State in which he files his claim shall govern: *Provided*,  
15 That the Administrator may prescribe conditions and  
16 standards for applicants in any State having no applicable  
17 statute.

18 (2) In determining under subsection (a) of this section  
19 the suitability of work, no work shall be deemed suitable  
20 for an individual if—

21 (A) the position offered is vacant due directly to  
22 a strike, lock-out, or other labor dispute; or

23 (B) the wages, hours, or other conditions of the  
24 work offered are substantially less favorable to him  
25 than those prevailing for similar work in the locality.

## 1 CHAPTER IX—AMOUNT OF ALLOWANCE AND PAYMENT

2 SEC. 900. (a) The allowance for a week shall be \$20  
3 less that part of the wages payable to him for such week  
4 which is in excess of \$3: *Provided*, That where the allow-  
5 ance is not a multiple of \$1, it shall be computed to the  
6 next highest multiple of \$1.

7 (b) The number of weeks of allowances to which each  
8 eligible veteran shall be entitled shall be determined as  
9 follows: For each calendar month or major fraction thereof  
10 of active service during the period stated in section 700  
11 the veteran shall be entitled to four weeks of allowances,  
12 but in no event to exceed the maximum provided in section  
13 700: *Provided*, That the allowance for the qualifying ninety  
14 days service shall be eight weeks for each such month.

15 SEC. 901. (a) Readjustment allowances shall be paid  
16 at the intervals prescribed by the unemployment compen-  
17 sation law of the State in which the claim was made: *Pro-*  
18 *vided*, That if none are so prescribed readjustment allow-  
19 ances shall be paid at such reasonable intervals as may be  
20 determined by the Administrator.

21 (b) Any allowances remaining unpaid upon the death  
22 of a claimant shall not be considered a part of the assets of  
23 the estate of the claimant, or liable for the payment of his  
24 debts, or subject to any administration of his estate, and the

1 Administrator may make payment thereof to such person  
2 or persons he finds most equitably entitled thereto.

3 SEC. 902. (a) Any person qualified under subsection  
4 (a) of section 700, and residing in the United States who is  
5 self-employed for profit in an independent establishment,  
6 trade, business, profession, or other vocation shall be eligible  
7 for readjustment allowances under this title within the time  
8 periods applicable, and not in excess of the total amount  
9 provided in this title.

10 (b) Upon application by the veteran showing, in  
11 accordance with rules prescribed by the Administrator, that  
12 he has been fully engaged in such self-employment and that  
13 his net earnings in a trade, business, profession, or vocation,  
14 have been less than \$100 in the previous calendar month,  
15 the veteran shall be entitled to receive, subject to the limita-  
16 tions of this title as to time and amount, the difference (ad-  
17 justed to the next highest multiple of \$1), between \$100  
18 and his net earnings for such month.

19 (c) Payment of such allowance shall be made by the  
20 Administrator to each eligible veteran at the time and in  
21 the manner other payments are made directly to veterans  
22 by the Administrator.

23 (d) Subsection (b) of section 700 and section 800  
24 shall not apply in determining the eligibility for allowances  
25 of a claimant under this section.



## 1 CHAPTER X.—ADJUSTMENT OF DUPLICATE BENEFITS

2 SEC. 1000. Where an allowance is payable to a claim-  
3 ant under this title and where, for the same period, either  
4 an allowance or benefit is received under any Federal or  
5 State unemployment or disability compensation law, the  
6 amount received or accrued from such other source shall be  
7 subtracted from the allowance payable under this title (ex-  
8 cept that this section shall not apply to pension, compensa-  
9 tion, or retired pay paid by the Veterans' Administration) ;  
10 and the resulting allowances, if not a multiple of \$1, shall  
11 be readjusted to the next higher multiple of \$1.

## 12 CHAPTER XI—ADMINISTRATION

13 SEC. 1100. (a) The Administrator of Veterans' Affairs  
14 is authorized to administer this title and shall, insofar as  
15 possible, utilize existing facilities and services of Federal  
16 and State departments or agencies on the basis of mutual  
17 agreements with such departments or agencies. Such agree-  
18 ments shall provide for the filing of claims for readjustment  
19 allowances with the Administrator through established pub-  
20 lic employment offices and State unemployment-compen-  
21 sation agencies. Such agencies, through agreement, shall  
22 also be utilized in the processing, adjustment, and deter-  
23 mination of such claims and the payment of such allowances.  
24 To facilitate the carrying out of agreements with State de-  
25 partments or agencies and to assist in the discharge of the

1 Administrator's duties under this title, a representative of  
2 the Administrator, who shall be a war veteran separated  
3 from active service under honorable conditions and who at  
4 the time of appointment shall have been a bona fide resident  
5 of the State for at least two years, shall be located in each  
6 participating State department or agency.

7 (b) The Administrator, consistent with the provisions of  
8 this title, shall prescribe such rules and regulations and re-  
9 quire such records and reports as he may find necessary to  
10 carry out its purposes: *Provided, however,* That cooperative  
11 rules and regulations relating to the performance by Federal  
12 or State departments, or agencies, of functions under agree-  
13 ments made therewith may be made by the Administrator  
14 after consultation and advisement with representatives of  
15 such departments or agencies.

16 (c) The Administrator may delegate to any officer or  
17 employee of his own or of any cooperating department or  
18 agency of any State such of his powers and duties, except  
19 that of prescribing rules and regulations, as the Admin-  
20 istrator may consider necessary and proper to carry out the  
21 purposes of this title.

22 (d) Allowances paid by the cooperating State agencies  
23 shall be repaid upon certification by the Administrator. The  
24 Secretary of the Treasury, through the Division of Disburse-  
25 ment of the Treasury, and without the necessity of audit and

1 settlement by the General Accounting Office, shall pay  
2 monthly to the departments, agencies, or individuals desig-  
3 nated, the amounts so certified.

4 (e) The Administrator shall from time to time certify  
5 to the Secretary of the Treasury for payment in advance  
6 or otherwise such sums as he estimates to be necessary to  
7 compensate any Federal department or agency for its ad-  
8 ministrative expenses under this title. Such sums shall  
9 cover periods of no longer than six months.

10 (f) The Administrator shall also from time to time  
11 certify to the Social Security Board such State departments  
12 or agencies as may be participating in the administration of  
13 this title, and the amount of the administrative expense in-  
14 curred or to be incurred by a State under agreements made  
15 pursuant to this section. Upon such certification the Social  
16 Security Board shall certify such amount to the Secretary  
17 of the Treasury, in addition to the amount, if any, payable  
18 by said Board under the provisions of section 302 (a) of  
19 the Social Security Act, as amended, and the additional  
20 amount so certified shall be paid to each State by the Sec-  
21 retary of the Treasury out of the appropriation for the  
22 Veterans' Administration.

23 (g) Any money paid to any cooperating agency or  
24 person, which is not used for the purpose for which it was  
25 paid shall, upon termination of the period covered by such



1 payment or the agreement with such agency or person, be  
2 returned to the Treasury and credited to the current appro-  
3 priation for carrying out the purpose of this title, or, if  
4 returned after the expiration of period covered by this title,  
5 shall be covered into the Treasury as miscellaneous receipts.

6 SEC. 1101. (a) No person designated by the Adminis-  
7 trator as a certifying officer shall, in the absence of gross  
8 negligence, or intent to defraud the United States, be liable  
9 with respect to the payment of any allowance certified by  
10 him under this title.

11 (b) No disbursing officer shall, in the absence of gross  
12 negligence, or intent to defraud the United States, be liable  
13 with respect to any payment by him under this title if it  
14 was based upon a voucher signed by a certifying officer  
15 designated by the Administrator.

16 SEC. 1102. Any claimant whose claim for an allowance  
17 has been denied shall be entitled to a fair hearing before  
18 an impartial tribunal of the State agency or such other  
19 agency as may be designated by the Administrator. The  
20 representative of the Administrator located in each State  
21 shall be the final appellate authority in regard to contested  
22 claims arising in such State, subject to review by the  
23 Administrator.

24 SEC. 1103. In the case of any veteran eligible under  
25 the provisions of this title who either at the time of applica-



1   tion for the benefits herein provided is a “qualified employee”  
2   as defined in section 3 of the Railroad Unemployment In-  
3   surance Act, as amended, or was last employed prior to such  
4   application by an employer as defined in section 1 (a) of  
5   the said Act, claim may be made through an office operated  
6   by or a facility designated as a free employment office by  
7   the Railroad Retirement Board pursuant to the provisions  
8   of said Act. In such cases, the conditions and standards as  
9   to suitability of work or existence of good cause, the inter-  
10   vals for making claim for and payment of benefits, and the  
11   administrative and appellate procedures prescribed by or  
12   under said Act shall govern, if not in conflict with the pro-  
13   visions of this title, the appellate procedures being subject  
14   to final appeal to the Administrator. In such cases, a ref-  
15   erence in this title to a cooperating State agency shall be  
16   deemed to include the Railroad Retirement Board.

17           CHAPTER XII—DECISIONS AND PROCEDURES

18           SEC. 1200. The authority to issue subpoenas and pro-  
19   visions for invoking aid of the courts of the United States  
20   in case of disobedience thereto, to make investigations, and  
21   to administer oaths, as contained in title III of the Act  
22   of June 29, 1936 (49 Stat. 2033-34; U. S. C., title 38,  
23   secs. 131-133), shall be applicable in the administration of  
24   this title.

## CHAPTER XIII—PENALTIES

1

2       SEC. 1300. Any claimant who knowingly accepts an  
3 allowance to which he is not entitled shall be ineligible to  
4 receive any further allowance under this title.

5       SEC. 1301. (a) Whoever, for the purpose of causing  
6 an increase in any allowance authorized under this title, or  
7 for the purpose of causing any allowance to be paid where  
8 none is authorized under this title, shall make or cause to be  
9 made any false statement or representation as to any wages  
10 paid or received, or whoever makes or causes to be made  
11 any false statement of a material fact in any claim for any  
12 allowance under this title, or whoever makes or causes to  
13 be made any false statement, representation, affidavit, or  
14 document in connection with such claim, shall be guilty of  
15 a misdemeanor and upon conviction thereof shall be fined  
16 not more than \$1,000 or imprisoned for not more than one  
17 year, or both.

18       (b) Whoever shall obtain or receive any money, check,  
19 or allowance under this title, without being entitled thereto  
20 and with intent to defraud the United States, shall be pun-  
21 ished by a fine of not more than \$1,000 or by imprison-  
22 ment for not more than one year, or both.

## CHAPTER XIV—DEFINITIONS

23

24       SEC. 1400. As used in this title—

1       (a) The term “week” means such period or periods of  
2 seven consecutive calendar days as may be prescribed in  
3 regulations by the Administrator.

4       (b) The term “wages” means all remuneration for  
5 services from whatever sources, including commissions and  
6 bonuses and the cash value of all remuneration in any  
7 medium other than cash.

## 8                                   TITLE VI

### 9   CHAPTER XV—GENERAL ADMINISTRATIVE AND PENAL 10                                   PROVISIONS

11       SEC. 1500. Except as otherwise provided in this Act,  
12 the administrative, definitive, and penal provisions under  
13 Public, Numbered 2, Seventy-third Congress, as amended,  
14 and the provisions of Public, Numbered 262, Seventy-fourth  
15 Congress, as amended (38 U. S. C. 450, 451, 454a, and  
16 556a), shall be for application under this Act. For the  
17 purpose of carrying out any of the provisions of Public,  
18 Numbered 2, as amended, and this Act, the Administrator  
19 shall have authority to accept uncompensated services, and  
20 ~~to~~ to enter into contracts or agreements with private or  
21 public agencies, or persons, for necessary services, including  
22 personal services, as he may deem practicable.

23       SEC. 1501. Except as otherwise specified, the appro-  
24 priations for the Veterans' Administration are hereby made  
25 available for expenditures necessary to carry out the pro-

visions of this Act and there is hereby authorized to be appropriated such additional amounts as may be necessary to accomplish the purposes of this Act.

SEC. 1502. Wherever used in this Act, unless the context otherwise requires, the singular includes the plural; the masculine includes the feminine; the term "Administrator" means the Administrator of Veterans' Affairs; the term "United States" used geographically means the several States, Territories and possessions, and the District of Columbia; the term "State" means the several States, Territories and possessions, and the District of Columbia; and the phrases "termination of hostilities in the present war", "termination of the present war", and "termination of the war", mean termination of the war as declared by Presidential proclamation or concurrent resolution of the Congress.

SEC. 1503. A discharge or release from active service under conditions other than dishonorable shall be a prerequisite to entitlement to veterans' benefits provided by this Act or Public Law Numbered 2, Seventy-third Congress, as amended.

SEC. 1504. The Administrator shall transmit to the Congress annually a report of operations under this Act. If the Senate or the House of Representatives is not in session, such reports shall be transmitted to the Secretary of the Senate



1 or the Clerk of the House of Representatives, as the case  
2 may be.

3 SEC. 1505. In the event there shall hereafter be author-  
4 ized any allowance in the nature of adjusted compensation,  
5 any benefits received by, or paid for, any veteran under this  
6 Act shall be charged against and deducted from such ad-  
7 justed compensation; and in the event a veteran has obtained  
8 a loan under the terms of this Act, the agency disbursing  
9 such adjusted compensation shall first pay the unpaid bal-  
10 ance and accrued interest due on such loan to the holder of  
11 the evidence of such indebtedness to the extent that the  
12 amount of adjusted compensation which may be payable  
13 will permit.

14 SEC. 1506. (a) Before any proposed regulation or  
15 order to carry out the purposes of this Act shall be issued  
16 by any governmental agency exercising authority conferred  
17 hereunder, other than intraagency administrative rules or  
18 orders governing the conduct of its activities or inter-  
19 agency rules governing relations with other agencies of the  
20 Government, a draft thereof shall be submitted to the Com-  
21 mittee on Finance of the Senate of the United States and to  
22 the Committee on World War Veterans' Legislation of the  
23 House of Representatives-

24 ~~(b)~~ The draft of such proposed regulation or order  
25 shall be immediately assigned to the Committee on Finance

1 in the Senate and to the Committee on World War Vet-  
2 erans' Legislation in the House of Representatives, for  
3 study, to consider whether such rule or regulation is made  
4 in conformity with the spirit, letter, intent, and purpose of  
5 this Act, and that no unusual or unexpected use of powers  
6 herein granted is proposed. Such regulation or order may  
7 be approved or disapproved by the Committee on Finance  
8 of the Senate or by the Committee on World War Veterans'  
9 Legislation of the House of Representatives, or a duly au-  
10 thorized subcommittee of either. In the absence of action by  
11 either committee approving or disapproving such regula-  
12 tion or order, it may go into effect not earlier than the  
13 fifteenth day following, but not including the date of the  
14 receipt of the draft of such proposed regulation or order by  
15 the President of the Senate and the Speaker of the House  
16 of Representatives *chairmen of such committees*. If sooner  
17 approved by either committee it may go into effect immedi-  
18 ately upon such approval. Disapproval of such regulation or  
19 order by either committee shall suspend its issuance: *Pro-*  
20 *vided*, That in the event of conflicting committee actions the  
21 earlier action shall govern.

22 ~~(e)~~ (b) For the purposes of this section the Committee  
23 on Finance of the Senate and the Committee on World War  
24 Veterans' Legislation of the House of Representatives, or  
25 any duly authorized subcommittees thereof, are authorized to

1 sit and act during the sessions, recesses, and adjourned  
 2 periods of the Congress.

3 ~~(d)~~ (c) This section shall be effective from the date of its  
 4 approval.

79TH CONGRESS  
 1ST SESSION

**H. R. 3749**

[Report No. 926]

## **A BILL**

To amend the Servicemen's Readjustment Act of 1944 to provide for a readjustment allowance for all veterans of World War II.

By Mr. RANKIN

JULY 10, 1945

Referred to the Committee on World War Veterans' Legislation

JULY 17, 1945

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed







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DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE  
(Issued July 19, 1945, for actions of Wednesday, July 18, 1945)

(For staff of the Department only)

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HIGHLIGHTS: House agreed to conference report on measure providing for AAA-tobacco-marketing-quota elections and specifying CCC loan rates on fire-cured and dark air-cured tobacco. Sen. Langer criticized handling of rye-marketing situation. Sen. Morse criticized "mishandling" of food-marketing problems. Rep. Taber discussed and inserted tables showing appropriations, etc., made to various departments.

HOUSE

1. A.A.A.; TOBACCO. Agreed to the conference report on H.J. Res. 98, to provide for AAA-tobacco-marketing-quota elections and to specify CCC loan rates on fire-cured and dark air-cured tobacco (pp. 7833-6). This measure will now be sent to the President.
2. APPROPRIATIONS. Rep. Taber, N.Y., discussed and inserted tables showing amounts of appropriations, reappropriations, etc., for the various departments, and totals for the two preceding years (pp. 7860-2).
3. CLAIMS. Passed without amendment H.R. 603, to permit the U.S. to be made a party defendant in certain cases involving the partition of property (pp. 7836-7).
4. RETIREMENT REPORT. Agreed to a resolution authorizing the printing, as a House document, of the annual report of the Board of Actuaries of the Civil Service Retirement and Disability Fund (p. 7837).
5. VETERANS' BENEFITS. Passed as reported H.R. 3749, to amend the Servicemen's Readjustment Act so as to provide for a readjustment allowance for World War II veterans (pp. 7837-59).
6. PRICE CONTROL; FULL EMPLOYMENT. Rep. Smith, Wis., criticized the OPA announcement that "A reconversion pricing program under which most peacetime goods returning to the market will sell at 1942 retail price," stating that "it constitutes the basis of a real threat to reconversion and full employment....industry prices will be frozen" (pp. 7865-7).
7. UN-AMERICAN ACTIVITIES. Rep. Havenner, Calif., and others discussed the work of the Un-American Activities Committee (pp. 7862-5).

8. ADJOURNMENT. Agreed to H. Con. Res. 68, providing for adjournment of the House from Sat. July 21, to Oct. 8, and for adjournment of the Senate at any time during the months of Aug. and Sept. until Oct. 8 (pp. 7859-60).

#### SENATE

9. RYE MARKETING. Sen. Langer, N.Dak., criticized the handling of the rye-marketing situation, the discontinuance of this Department's investigation into the operation of the rye market, and lend-lease in relation to this "human food", and urged an investigation into this situation (pp. 7818-20).
10. FOOD MARKETING. Sen. Morse, Oreg., criticized the "mishandling" of the food supply and urged that the Secretary of Agriculture take steps to relieve the Oreg. lamb situation (pp. 7820-6).
11. RECLAMATION. Commerce Committee reported without amendment H.R. 2690, to amend the Bonneville Project Act (p. 7792).
12. BRETON WOODS AGREEMENTS. Continued debate on H.R. 3314, to provide for U.S. participation in the International Monetary Fund and the International Bank for Reconstruction and Development (pp. 7794-817, 7826-30).
13. EXPORT-IMPORT BANK. Sen. Barkley, Ky., inserted Leo T. Crowley's statements before the Banking and Currency Committee on the increase in lending authority for the Export-Import Bank (pp. 7791-2).
14. NOMINATIONS. Confirmed the nominations of John W. Snyder to be Director of War Mobilization and Reconversion and Arthur J. Altmeyer to be a member of the Social Security Board (p. 7831).

#### BILLS INTRODUCED

15. LABOR. S. 1282, by Sen. Mead, N.Y., (for himself and others), to amend the Fair Labor Standards Act of 1938 so as to provide for an increase in minimum wages, including wages for those employed in canning and other processing of fish and allied products. To Education and Labor Committee. (p. 7793.)
16. PERSONNEL. H.R. 3835, by Rep. Bloom, N.Y., "to extend the existing programs for the interchange of persons, knowledge, and skills between the people of the United States and the peoples of the other American Republics and the Philippine so as to provide for the interchange of persons, knowledge, and skills between the people of the United States and the peoples of other countries." To Foreign Affairs Committee. (p. 7868.)
17. PUBLIC LANDS. H.R. 3836, by Rep. Engle, Calif., "to repeal an act which withdrew certain public lands of the United States in the State of California from settlement." To Public Lands Committee. (p. 7868.)
18. VETERANS. H.R. 3838, H.R. 3840.

#### ITEMS IN APPENDIX

19. VETERANS. Extension of remarks of Rep. Stigler, Okla., criticizing the administration of the GI Bill of Rights and including a magazine article by the National Commander of the American Legion (pp. A3802-4).
20. ST. LAWRENCE SEAWAY. Rep. Wasielewski, Wis., inserted a Milwaukee Journal editorial favoring construction of this seaway (p. A3804).



consideration of the bill (H. R. 603) to permit the United States to be made a party defendant in certain cases, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. MICHENER. Mr. Speaker, reserving the right to object, will the gentleman explain the bill? As I understand it, this bill has passed the House in a previous Congress and it is again reported in this Congress by the Judiciary Committee?

Mr. WALTER. That is correct. The Judiciary Committee has approved the bill on two occasions unanimously. The object of the bill is to permit the United States to be made a party defendant where there have been claims against certain estates that cannot be settled until the exact claim of the United States is adjudicated and determined. This merely permits the filing of a bill which will make the United States a party defendant and the service section of the bill was written, in fact, by the Attorney General.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That section 1 of the act entitled "An act to permit the United States to be made a party defendant in certain cases", approved March 4, 1931, as amended (46 Stat. 1528, U. S. C., title 28, sec. 901), be, and the same is hereby, amended to read as follows:

SECTION 1. Upon the conditions herein prescribed for the protection of the United States, the consent of the United States is given to be named a party in any suit which is now pending or which may hereafter be brought in any United States district court, including those for the districts of Alaska, Hawaii, and Puerto Rico, and the District Court of the United States for the District of Columbia, and in any State court having jurisdiction of the subject matter, to quiet title to or for the foreclosure of a mortgage or other lien upon real estate or personal property, and in all cases where the partition of real estate is sought by any of the owners thereof, and also in all cases wherein an executor or administrator seeks to sell the real estate and/or personal property of any decedent, for the purpose of securing an adjudication of any mortgage, claims, lien, or right the United States may have or claim to have on or against the real estate or personal property involved."

SEC. 2. That section 2 of the act entitled "An act to permit the United States to be made a party defendant in certain cases", approved on March 4, 1931, as amended (46 Stat. 1528, U. S. C., title 28, sec. 902), is hereby further amended to read as follows:

"SEC. 2. Service upon the United States shall be made by serving the process of the court with a copy of the bill of complaint upon the United States attorney for the district or division in which the suit has been or may be brought, or upon an assistant United States attorney or a clerical employee designated by the United States attorney in writing filed with the clerk of the court in which suit is brought, and by sending copies of the process and bill, by registered mail, to the Attorney General of the United States at Washington, District of Columbia. The complaint shall set forth with particularity the nature of the interest or lien of the United States on such property, and only such mortgage, claim, lien, right, or interest of the

United States as is described in the complaint shall be affected by the judgment or decree rendered in the cause. The United States shall have 60 days after service as above provided, or such further time as the court may allow, within which to appear and plead."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### FOREIGN CLAIMS ACT MADE APPLICABLE TO THE PHILIPPINE ISLANDS

Mr. STIGLER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3111) to amend the act approved January 2, 1942, as amended, approved April 22, 1943, entitled "An act to provide for the prompt settlement of claims for damages occasioned by Army, Navy, and Marine Corps forces in foreign countries," and its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

Mr. MICHENER. Mr. Speaker, reserving the right to object, this is a bill from the Committee on Claims, and I see the ranking minority member of that committee present.

Mr. PITTINGER. This bill is being brought up at the request of the War Department. The chairman of the committee is away on official business and the gentleman from Oklahoma [Mr. STIGLER] has been designated to bring it up. We have consulted the majority leader and other members of the committee and this action is agreeable. The committee wants this, the War Department asked to have it passed in order to settle claims in the Philippine Islands. Under existing law, they cannot settle claims of those people the same as they can with people in other countries. I will ask the gentleman from Oklahoma to verify that.

Mr. STIGLER. That is true. It only adds a new section to the Foreign Claims Act, section 8, which reads as follows:

SEC. 8. This act shall be applicable, notwithstanding other provisions hereof, to claims of inhabitants of the Philippine Islands arising in such islands which would be within the provisions of the act but for the fact that the Philippine Islands is not foreign territory; *Provided*, That such claims arising out of accidents or incidents occurring in time of war may on good cause shown be presented within 1 year after peace is established.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. STIGLER. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I may say that the representatives of the War Department contacted me this morning and expressed the strong hope that this meritorious bill be passed. I told them that I would look into it, and if it were meritorious and equitable, we would make every attempt to have it passed. I want the RECORD to show that the War Department, through one of its representatives, has contacted me and that the War Department is interested in the passage of this bill.

Mr. STIGLER. That is true.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the act of January 2, 1942 (55 Stat. 880; 31 U. S. C. 224d), as amended by the act of April 22, 1943 (57 Stat. 66), be, and hereby is, further amended by inserting an additional section at the end thereof to read as follows:

"SEC. 8. This act shall be applicable, notwithstanding other provisions hereof, to claims of inhabitants of the Philippine Islands arising in such islands which would be within the provisions of the act but for the fact that the Philippine Islands is not foreign territory; *Provided*, That such claims arising out of accidents or incidents occurring in time of war may on good cause shown be presented within 1 year after peace is established."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### TWENTY-FOURTH ANNUAL REPORT OF THE BOARD OF ACTUARIES OF THE CIVIL SERVICE RETIREMENT AND DISABILITY FUND

Mr. RAMSPECK. Mr. Speaker, I offer a resolution (H. Res. 329) and ask unanimous consent for its immediate consideration.

The Clerk read the resolution, as follows:

*Resolved*, That the letter of the President of the Civil Service Commission transmitted to the House of Representatives on June 20, 1945, the twenty-fourth Annual Report of the Board of Actuaries of the Civil Service Retirement and Disability Fund for the fiscal year ended June 30, 1944, be printed as a House document.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

#### AMENDING SERVICEMEN'S READJUSTMENT ACT OF 1944

Mr. RANKIN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 3749) amending the Servicemen's Readjustment Act of 1944 to provide for a readjustment allowance for all veterans of World War II.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

Mr. HOOK. Mr. Speaker, reserving the right to object, may I ask the gentleman if this is an amendment to what is known as the GI bill of rights?

Mr. RANKIN. Yes.

Mr. HOOK. I think that there should be an over-all amendment to it and a complete renovation of the GI bill of rights. It should not be done piecemeal; therefore, I object.

The SPEAKER. The Chair would not have recognized the gentleman from Mississippi unless he had gone over the bill with the gentlemen interested and found that there were many necessary and helpful relaxations with the provisions of the bill.



Mr. HOOK. Under those circumstances, Mr. Speaker, I withdraw my objection.

Mr. SABATH. Mr. Speaker, further reserving the right to object, in view of what has been stated by the gentleman from Mississippi [Mr. RANKIN], I am fearful that there may be an impression that the Committee on Rules has not acted upon application for a rule. May I say that there has not been an application made for a rule. This bill was only reported yesterday, July 17, by the Committee on World War Veterans' Legislation, and consequently there was no delay this time on the part of the Committee on Rules in giving consideration to the granting of a rule.

I wish to say that I believe the proposed legislation is in the right direction. I think it should be considered now because it will clarify the provision of the original GI bill and serve to eliminate a great deal of red tape and delays that have been encountered that the Congress did not anticipate when the legislation was enacted. I wish to further assure the House that I am as much interested and have consistently supported and aided in the passage of legislation in the interest and for the benefit of the veterans of all wars as any other Member of this House, and intend especially to see that the boys who are now returning receive all possible aid and help that this great Government owes and must extend to them.

Mr. MICHENER. Mr. Speaker, further reserving the right to object, and I shall not object, I do not want to vote for a bill until I know what is in it, and therefore I ask the gentleman to explain the bill.

Mr. COCHRAN. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. I yield to the gentleman from Missouri.

Mr. COCHRAN. I notice that this bill contains 48 pages. There are many amendments that we should make to the so-called GI bill of rights. Complaints in reference to the bill are coming in every day. Meetings have been held in my city complaining about the provisions of that law. I said at the time that we considered that bill that I thought we should be extremely careful and get the views of those who served in World War II and not accept the views of those who served in World War I until we had approval from those who the law would affect.

I would like to know from the gentleman from Mississippi if his committee has heard from those who are engaged in this war or from those discharged or whether they have been listening again to the authors of the original bill.

Mr. RANKIN. May I say to the gentleman from Missouri that when he speaks of the length of the bill, it is the entire GI bill with certain changes. I will say to the gentleman from Missouri that we not only heard from the veterans of this war but we had at least two veterans of this war on the committee. What we are trying to do is to iron out the inconsistencies, weaknesses, and the shortcomings of the former GI bill and make it workable for the benefit of these men who are re-

turning and want to take advantage of it.

Mr. COCHRAN. Are the provisions of H. R. 3119 included in this legislation? Communications I am receiving are to the effect that if the provisions of the bill H. R. 3119, in reference to education, were passed they would limit private business schools to charging veterans a tuition rate sufficient only to pay that portion of the salary of the teacher used for teaching veterans. That would be a discrimination.

Mr. RANKIN. We made some amendments to this bill that met their objections. We permitted them to recognize these correspondence schools.

Mr. COCHRAN. I am talking now about shorthand schools. Business colleges that teach shorthand, accounting, and so forth. Old established schools.

Mr. RANKIN. That is what they are.

Mr. COCHRAN. They are not correspondence schools. For instance one school has three places in St. Louis where students attend.

Mr. RANKIN. As a rule a large number of them are; but all these schools that can meet the requirements now are provided for in this bill. The provisions in the bill H. R. 3119 to which objection was raised are not included in the provisions of this bill.

Mr. COCHRAN. They are eliminated from this legislation?

Mr. RANKIN. They are not in this legislation.

Mr. COCHRAN. I am pleased to get that information.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. I yield to the gentleman from Massachusetts.

Mrs. ROGERS of Massachusetts. There was no opposition to any of the provisions that are in the bill. They are very few. The veterans organizations, the schools, and everybody else agreed to what is in the bill. We had no controversy about anything. It was unanimous.

Mr. JENKINS. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. I yield to the gentleman from Ohio.

Mr. JENKINS. I understand that the Veterans of Foreign Wars has some complaint against the GI bill. Has there been an effort to relieve that situation?

Mr. RANKIN. Yes.

Mr. JENKINS. May I compliment the leadership and the gentleman from Mississippi on their patience and good sense in ironing out what appeared earlier in the day to be a serious impasse. We have now come to the place where we can all agree to pass this bill.

Mr. VOORHIS of California. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. I yield to the gentleman from California.

Mr. VOORHIS of California. May I ask whether, if this bill is brought up for consideration under the present circumstances, the bill will be read for amendment as bills normally are, and whether there will be an opportunity for discussion of it under the 5-minute rule?

Mr. RANKIN. It was understood with the Speaker that if he recognized me to take up this bill it will be accepted as it

is, with the committee amendments included.

Mr. VOORHIS of California. And without any opportunity for other amendments to be offered to it?

Mr. MCCORMACK. If the gentleman will yield, of course, the gentleman does not want to press that now, because we are operating under a unanimous-consent situation. The gentleman realizes that. This bill has many provisions which are a decided improvement over the original GI bill.

Mr. VOORHIS of California. I have no intention whatever of objecting to the consideration of the bill. I do think, however, that this is a matter of such moment that with regard to certain aspects of the GI bill—and I have read this bill, incidentally, in the last hour—there are one or two points, one on education, and one on the matter of loans to be made, and another matter that has to do with the dependents' allowances for disabled service-connected men, in which there is at least a very great deal of interest. If it is impossible for those matters to be considered today, I should just like to know it.

Mr. RANKIN. They can be ironed out in the Senate, I may say to the gentleman from California.

Mr. VOORHIS of California. I do not like to depend on the Senate to iron things out.

Mr. MCCORMACK. In the light of the present situation in the House, may I say to the gentleman from California that the practicalities of the situation that confront us are such that if unanimous consent is granted, which I hope it will be, the bill will be passed as reported out of committee, with the committee amendments.

Mr. RANKIN. That is right.

Mr. MICHENER. May I say that the word "practicality" is the key word in this situation. It seems to me that those who are in favor of doing something to help veterans can ill afford to object at this time and prevent the enactment of that which is good in the bill and which is agreed to. They would hardly be justified in objecting at this time on the ground the bill does not go far enough. Congress will be in session within a few weeks, at which time the Congress may amend the proposed legislation. At that time, when this question of practicality is not before the Congress, the gentleman from California and others who are vitally interested in the veterans can present their amendments.

Mr. RANKIN. Let me say to the gentleman from Michigan that I hope he is not laboring under the illusion that this is the last veterans' bill we are going to have, because there will be some others brought in at the next session.

Mr. MICHENER. I am sure there will be as long as the distinguished gentleman from Mississippi is chairman of the Committee on World War Veterans' Legislation.

Mr. RANKIN. That is right.

Mr. COLMER. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. I yield.

Mr. COLMER. Mr. Speaker, I shall not object to the consideration of this bill at this time but I do want to point



out that it appears to me, and I am sure to a great many Members of the House, that it is a little doubtful wisdom whether or not legislation should be enacted in this way dealing with such an important subject. The House will recall when the original bill was passed it was rushed through the Senate, practically every Member of the Senate being coauthor of the bill. It was brought over here and rushed through. Now they have found it does not work so well. So the distinguished chairman of the Committee on World War Veterans' Legislation, my able colleague [Mr. RANKIN], has been trying to do something about it, as well as his committee. But I dare say that the gentleman from California [Mr. VOORHIS], is one of the few Members of the House who has had an opportunity to read this bill and who has read it. It was introduced only yesterday and is rather far reaching and complicated. We are doing again exactly what we did before. We are rushing through legislation without, in many instances, knowing what it is all about. If those in charge of veterans' legislation want to rush this bill through in this form I am not going to object to it. But I would prefer to stay here long enough to give it the consideration it deserves.

Mr. McCORMACK. The gentleman used the word "rush." May I suggest that it is probably a little out of place. If the gentleman wants to use the word "hasten" I would not seriously challenge it. But my friend uses the phrase "doubtful wisdom." Of course, I cannot argue much with the gentleman on that phrase but I do say that in addition to wisdom and doubtful wisdom there is such a thing as practical wisdom and there is plenty of practical wisdom here today.

Mr. COLMER. Of course, the gentleman will understand that I happen to be making these remarks and I use the phrases that occur to me. However, I appreciate the gentleman's suggestion. I still think it is doubtful and of doubtful wisdom or judgment to legislate hurriedly or hastily simply because we all want to help the veterans. It is because of my interest in the veteran that I make these few timely observations.

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. I yield.

Mr. SABATH. I just want to answer the gentleman from Mississippi [Mr. COLMER], that the gentleman from California is not the only Member who has read the bill. When I was informed that the gentleman from Mississippi [Mr. RANKIN], would ask unanimous consent for the consideration of the bill, not knowing really what it contained, I immediately got busy and familiarized myself with the bill and read the same. I think it contains very constructive amendments and provisions that will be helpful to the veterans. I think the bill should pass, because it is something to which the veterans are entitled.

Mr. SHEPPARD. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. I yield to the gentleman from California.

Mr. SHEPPARD. Mr. Speaker, I have no intention of objecting, of course, to the presentation and enactment of this legislation.

I would like to ask the chairman of the committee whether there was any consideration given in the amendment you are attaching to the bill relative to the amount of moneys that can be secured from banks in the lending category. Have you changed that at all?

Mr. RANKIN. We have not changed the amount of the guaranty. It is \$2,000.

Mr. SHEPPARD. The reason I ask, Mr. Speaker, is predicated on the fact that I have been informed, as of late yesterday afternoon, that the Veterans Bureau considers that under the language of the original bill only 60 percent of the loans would be acceptable instead of 80 percent.

Mr. RANKIN. We did increase the time in which they could apply; the time for repayment; also we liberalized the rules with reference to appraisals, so that these loans would not be so hard to get through. In other words, our liberalizations have all been in favor of the veterans.

Mr. SHEPPARD. Is it the intention of the chairman and the members of his committee that the veterans should have an opportunity for 80 percent participation instead of 60 percent? That is the whole point of my question.

Mr. RANKIN. Eighty percent.

Mr. SHEPPARD. Would the gentleman make that a part of this record so that the Veterans' Administration can get the intent of Congress?

Mr. RANKIN. It is in the bill already.

Mr. MICHENER. Well, Mr. Speaker, we are all expressing our views as to whether or not we are for the bill or against it. I think we are speaking generally whether we are for a principle or against a principle. Going back where I started when I first reserved the right to object, can the gentleman from Mississippi [Mr. RANKIN] state in a general way what the bill does, that is explain this bill, or at least insert in the RECORD the committee report so that we will know what we are voting on?

Mr. RANKIN. I can go through the entire bill, if the gentleman desires it. However, I will say to the gentleman that there are 21 members on that committee, and those members went through this bill carefully. Every change in here is approved by the entire committee.

Mr. MICHENER. I have great confidence in the committee, especially when it is unanimous. I certainly shall not object and I hope no one else objects, but I would like the RECORD to show what the bill contains, in addition to the fact that it was a bill that had the approval of 21 members of the committee.

Mr. RANKIN. If the gentleman desires, I will have the bill and report inserted in the RECORD at this point.

Mr. MICHENER. I hope the gentleman does that.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that the bill and report be inserted in the RECORD at this point.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The bill and report are as follows:

H. R. 3749

[Omit the part in black brackets and insert the part printed in italic]

A bill to amend the Servicemen's Readjustment Act of 1944 to provide for a readjustment allowance for all veterans of World War II

Be it enacted, etc., That Public Law 346, Seventy-eighth Congress, be amended to read as follows:

That this act may be cited as the "Servicemen's Readjustment Act of 1945."

#### TITLE I

##### CHAPTER I—HOSPITALIZATION, CLAIMS, AND PROCEDURES

SEC. 100. The Veterans' Administration is hereby declared to be an essential war agency and entitled, second only to the War and Navy Departments, to priorities in personnel, equipment, supplies, and material under any laws, Executive orders, and regulations pertaining to priorities, and in appointments of personnel from civil-service registers the Administrator of Veterans' Affairs is hereby granted the same authority and discretion as the War and Navy Departments and the United States Public Health Service: *Provided*, That the provisions of this section as to priorities for materials shall apply to any State institution to be built for the care or hospitalization of veterans.

SEC. 101. The Administrator of Veterans' Affairs and the Federal Board of Hospitalization are hereby authorized and directed to expedite and complete the construction of addition hospital facilities for war veterans, and to enter into agreements and contracts for the use by or transfer to the Veterans' Administration of suitable Army and Navy hospitals after termination of hostilities in the present war or after such institutions are no longer needed by the armed services; and the Administrator of Veterans' Affairs is hereby authorized and directed to establish necessary regional offices, suboffices, branch offices, contact units, or other subordinate offices in centers of population where there is no Veterans' Administration facility, or where such a facility is not readily available or accessible: *Provided*, That there is hereby authorized to be appropriated the sum of \$500,000,000 for the construction of additional hospital facilities.

SEC. 102. The Administrator of Veterans' Affairs and the Secretary of War and Secretary of the Navy are hereby granted authority to enter into agreements and contracts for the mutual use or exchange of use of hospital and domiciliary facilities, and such supplies, equipment, and material as may be needed to operate properly such facilities, or for the transfer, without reimbursement of appropriations, of facilities, supplies, equipment, or material necessary and proper for authorized care for veterans, except that at no time shall the Administrator of Veterans' Affairs enter into any agreement which will result in a permanent reduction of Veterans' Administration hospital and domiciliary beds below the number now established or approved, plus the estimated number required to meet the load of eligibles under laws administered by the Veterans' Administration, or in any way subordinate or transfer the operation of the Veterans' Administration to any other agency of the Government.

Nothing in the Selective Training and Service Act of 1940, as amended, or any other act, shall be construed to prevent the transfer or detail of any commissioned, appointed, or enlisted personnel from the armed forces to



the Veterans' Administration subject to agreements between the Secretary of War or the Secretary of the Navy and the Administrator of Veterans' Affairs: *Provided*, That no such detail shall be made or extend beyond 6 months after the termination of the war.

SEC. 103. The Administrator of Veterans' Affairs shall have authority to place officials and employees designated by him in such Army and Navy installations as may be deemed advisable for the purpose of adjudicating disability claims of, and giving aid and advice to, members of the Army and Navy who are about to be discharged or released from active service.

SEC. 104. No person shall be discharged or released from active duty in the armed forces until his certificate of discharge or release from active duty and final pay, or a substantial portion thereof, are ready for delivery to him or to his next of kin or legal representative; and no person shall be discharged or released from active service on account of disability until and unless he has executed a claim for compensation, pension, or hospitalization, to be filed with the Veterans' Administration or has signed a statement that he has had explained to him the right to file such claim: *Provided*, That this section shall not preclude immediate transfer to a veterans' facility for necessary hospital care, nor preclude the discharge of any person who refuses to sign such claim or statement: *And provided further*, That refusal or failure to file a claim shall be without prejudice to any right the veteran may subsequently assert.

Any veteran entitled to a prosthetic appliance shall be furnished such fitting and training, including institutional training in the use of such appliance as may be necessary, whether in a Veterans' Administration facility, other training institution, or by outpatient treatment, including such service under contract and including necessary travel expenses to and from their homes to such hospital or training institution.

The Administrator of Veterans' Affairs may procure any and all items mentioned herein, including necessary services required in the fitting, supplying, and training in use of such items by purchase, manufacture, contract, or in such other manner as the Administrator may determine to be proper without regard to any other provision of law.

SEC. 105. No person in the armed forces shall be required to sign a statement of any nature relating to the origin, incurrence, or aggravation of any disease or injury he may have, and any such statement against his own interest signed at any time, shall be null and void and of no force and effect.

#### CHAPTER II—AID BY VETERANS' ORGANIZATIONS

SEC. 200. (a) That upon certification to the Secretary of War or Secretary of the Navy by the Administrator of Veterans' Affairs of paid full time accredited representatives of the veterans' organizations specified in section 200 of the act of June 29, 1936 (Public Law, No. 844, 74th Cong.), and other such national organizations recognized by the Administrator of Veterans' Affairs thereunder in the presentation of claims under laws administered by the Veterans' Administration, the Secretary of War and Secretary of the Navy are hereby authorized and directed to permit the functioning, in accordance with regulations prescribed pursuant to subsection (b) of this section, of such accredited representatives in military or naval installations on shore from which persons are discharged or released from the active military or naval service: *Provided*, That nothing in this section shall operate to affect measures of military security now in effect or which may hereafter be placed in effect, nor to prejudice the right of the American Red Cross to recognition under existing statutes.

(b) The necessary regulations shall be promulgated by the Secretary of War and the

Secretary of the Navy jointly with the Administrator of Veterans' Affairs to accomplish the purpose of this section, and in the preparation of such regulations the national officer of each of such veterans' organizations who is responsible for claims and rehabilitation activities shall be consulted. The commanding officer of each such military or naval installation shall cooperate fully with such authorized representatives in the providing of available space and equipment for such representatives.

#### CHAPTER III—REVIEWING AUTHORITY

SEC. 300. The discharge or dismissal by reason of the sentence of a general court martial of any person from the military or naval forces, or the discharge of any such person on the ground that he was a conscientious objector who refused to perform military duty or refused to wear the uniform or otherwise to comply with lawful orders of competent military authority, or as a deserter, or of an officer by the acceptance of his resignation for the good of the service, shall bar all rights of such person, based upon the period of service from which he is so discharged or dismissed, under any laws administered by the Veterans' Administration: *Provided*, That in the case of any such person, if it be established to the satisfaction of the Administrator that at the time of the commission of the offense such person was insane, he shall not be precluded from benefits to which he is otherwise entitled under the laws administered by the Veterans' Administration: *And provided further*, That this section shall not apply to any war risk, Government (converted), or national service life-insurance policy.

SEC. 301. The Secretary of War and the Secretary of the Navy, after conference with the Administrator of Veterans' Affairs, are authorized and directed to establish in the War and Navy Departments, respectively, boards of review composed of five members each, whose duties shall be to review, on their own motion or upon the request of a former officer or enlisted man or woman or, if deceased, by the surviving spouse, next of kin, or legal representative, the type and nature of his discharge or dismissal, except a discharge or dismissal by reason of the sentence of a general court martial. Such review shall be based upon all available records of the service department relating to the person requesting such review, and such other evidence as may be presented by such person. Witnesses shall be permitted to present testimony either in person or by affidavit and the person requesting review shall be allowed to appear before such board in person or by counsel: *Provided*, That the term "counsel" as used in this section shall be construed to include, among others, accredited representatives of veterans' organizations recognized by the Veterans' Administration under section 200 of the act of June 29, 1936 (Public Law, No. 844, 74th Cong.). Such board shall have authority, except in the case of a discharge or dismissal by reason of the sentence of a general court martial, to change, correct, or modify any discharge or dismissal, and to issue a new discharge in accord with the facts presented to the board. The Articles of War and the Articles for the Government of the Navy are hereby amended to authorize the Secretary of War and the Secretary of the Navy to establish such boards of review, the findings thereof to be final subject only to review by the Secretary of War or the Secretary of the Navy, respectively: *Provided*, That no request for review by such board of a discharge or dismissal under the provisions of this section shall be valid unless filed within 15 years after such discharge or dismissal or within 15 years after the effective date of this act whichever be the later.

SEC. 302. (a) The Secretary of War, the Secretary of the Navy, and the Secretary of the Treasury are authorized and directed to establish, from time to time, boards of review composed of five commissioned officers, two

of whom shall be selected from the Medical Corps of the Army or Navy, or from the Public Health Service, as the case may be. It shall be the duty of any such board to review, at the request of any officer retired or released to inactive service, without pay, for physical disability pursuant to the decision of a retiring board or board of medical survey, the findings and decision of such retiring board or board of medical survey. Such review shall be based upon all available service records relating to the [officers] officer requesting such review, and such other evidence as may be presented by such officer. Witnesses shall be permitted to present testimony either in person or by affidavit, and the officer requesting review shall be allowed to appear before such board of review in person or by counsel. In carrying out its duties under this section such board of review shall have the same powers as exercised by, or vested in, the retiring board whose findings and decision are being reviewed. The proceedings and decision of each such board of review affirming or reversing the decision of the retiring board shall be transmitted to the Secretary of War, the Secretary of the Navy, or the Secretary of the Treasury, as the case may be, and shall be laid by him before the President for his approval or disapproval and orders in the case.

(b) No request for review under this section shall be valid unless filed within 15 years after the date of retirement for disability or after the effective date of this act, whichever is the later.

(c) As used in this section—

(1) the term "officer" means any officer subject to the laws granting retirement for active service in the Army, Navy, Marine Corps, or Coast Guard, or any of their respective components;

(2) the term "counsel" shall have the same meaning as when used in section 301 of this act.

#### TITLE II

##### CHAPTER IV—EDUCATION OF VETERANS

SEC. 400. (a) Subsection (f) of section 1, title I, Public Law No. 2, Seventy-third Congress, added by the act of March 24, 1943 (Public Law No. 16, 78th Cong.), is hereby amended to read as follows:

"(f) Any person who served in the active military or naval forces on or after September 16, 1940, and prior to the termination of hostilities in the present war, shall be entitled to vocational rehabilitation subject to the provisions and limitations of Veterans Regulation No. 1 (a), as amended, part VII, or to education or training subject to the provisions and limitations of part VIII."

(b) Veterans Regulation No. 1 (a), is hereby amended by adding a new part VIII, as follows:

##### "PART VIII

"1. Any person who served in the active military or naval service on or after September 16, 1940, and prior to the termination of the present war, and who shall have been discharged or released therefrom under conditions other than dishonorable, and whose education or training was impeded, delayed, interrupted, or interfered with by reason of his entrance into the service, or who desires a refresher or retraining course, and who either shall have served 90 days or more, exclusive of any period he was assigned for a course of education or training under the Army specialized training program or the Navy college training program, which course was a continuation of his civilian course and was pursued to completion, or as a cadet or midshipman at one of the service academies, or shall have been discharged or released from active service by reason of an actual service-incurred injury or disability, shall be eligible for and entitled to receive education or training under this part: *Provided*, That such course shall be initiated not later than 4 years after either the date of his discharge or the



termination of the present war, whichever is the later: *Provided further*, That no such education or training shall be afforded beyond 9 years after the termination of the present war: *And provided further*, That any such person who was not over 25 years of age at the time he entered the service shall be deemed to have had his education or training impeded, delayed, interrupted, or interfered with.

"2. Any such eligible person shall be entitled to education or training, or a refresher or retraining course, at an approved educational or training institution, for a period of 1 year (or the equivalent thereof in continuous part-time study), or for such lesser time as may be required for the course of instruction chosen by him. Upon satisfactory completion of such course of education or training, according to the regularly prescribed standards and practices of the institutions, except a refresher or retraining course, such person shall be entitled to an additional period or periods of education or training, not to exceed the time such person was in the active service on or after September 16, 1940, and before the termination of the war, exclusive of any period he was assigned for a course of education or training under the Army specialized training program or the Navy college training program, which course was a continuation of his civilian course and was pursued to completion, or as a cadet or midshipman at one of the service academies, but in no event shall the total period of education or training exceed 4 years: *Provided*, That his work continues to be satisfactory throughout the period, according to the regularly prescribed standards and practices of the institution: *Provided, however*, That wherever the additional period of instruction ends during a quarter or semester and after a major part of such quarter or semester has expired, such period of instruction shall be extended to the termination of such unexpired quarter or semester.

"3. (a) Such person shall be eligible for and entitled to such course of education or training as he may elect, and at any approved educational or training institution at which he chooses to enroll, whether or not located in the State in which he resides, which will accept or retain him as a student or trainee in any field or branch of knowledge which such institution finds him qualified to undertake or pursue: *Provided*, That, for reasons satisfactory to the Administrator, he may change a course of instruction: *And provided further*, That any such course of education or training may be discontinued at any time, if it is found by the Administrator that, according to the regularly prescribed standards and practices of the institution, the conduct or progress of such person is unsatisfactory.

"(b) Any such eligible person may apply for a short, intensive, postgraduate or vocational training course of less than 30 weeks: *Provided*, That the Administrator shall have the authority to contract with approved institutions for such courses if he finds that the agreed cost of such courses is reasonable and fair: *Provided further*, That the limitation of paragraph 5 shall not prevent the payment of such agreed rates, but there shall be charged against the veteran's period of eligibility the proportion of an ordinary school year which the cost of the course bears to \$500.

"4. From time to time the Administrator shall secure from the appropriate agency of each State a list of the educational and training institutions (including industrial establishments), within such jurisdiction, which are qualified and equipped to furnish education or training (including apprenticeship and refresher or retraining training), which institutions, together with such additional ones as may be recognized and approved by the Administrator, shall be deemed qualified and approved to furnish education or training to such persons as shall enroll under this

part: *Provided*, That wherever there are established State apprenticeship agencies expressly charged by State laws to administer apprentice training, whenever possible, the Administrator shall utilize such existing facilities and services in training on the job when such training is of 1 year's duration or more.

"5. The Administrator shall pay to the educational or training institution, for each person enrolled in full time, part time, or correspondence course of education or training, the customary cost of tuition, and such laboratory, library, health, infirmary, and other similar fees as are customarily charged, and may pay for books, supplies, equipment, and other necessary expenses, exclusive of board, lodging, other living expenses, and travel, as are generally required for the successful pursuit and completion of the course by other students in the institution: *Provided*, That in no event shall such payments, with respect to any person, exceed \$500 for an ordinary school year: *Provided further*, That no payments shall be made to [institution] institutions, business or other establishments furnishing apprentice training on the job: *And provided further*, That if any such institution has no established tuition fee, or if its established tuition fee shall be found by the Administrator to be inadequate compensation to such institution for furnishing such education or training, he is authorized to provide for the payment, with respect to any such person, of such fair and reasonable compensation as will not exceed \$500 for an ordinary school year.

"6. While enrolled in and pursuing a course other than a course in a correspondence school under this part, such person, upon application to the Administrator, shall be paid a subsistence allowance of \$60 per month, if without a dependent or dependents, or \$85 per month, if he has a dependent or dependents, including regular holidays and leave not exceeding 30 days in a calendar year. Such person attending a course on a part-time basis, and such person receiving compensation for productive labor performed as part of their apprentice or other training on the job at institutions, business or other establishments, shall be entitled to receive such lesser sums, if any, as subsistence or dependency allowances, as may be determined by the Administrator: *Provided*, That any such person eligible under this part, and within the limitations thereof, may pursue such full-time or part-time course or courses as he may elect, without subsistence allowance.

"7. Any such person eligible for the benefits of this part, who is also eligible for the benefit of part VII, may elect which benefit he desires: *Provided*, That, in the event of such election, subsistence allowance hereunder shall not exceed the amount of additional pension payable for training under said part VII.

"8. No department, agency, or officer of the United States, in carrying out the provisions of this part, shall exercise any supervision or control, whatsoever, over any State educational agency, or State apprenticeship agency, or any educational or training institution: *Provided*, That nothing in this section shall be deemed to prevent any department, agency, or officer of the United States from exercising any supervision or control which such department, agency, or officer is authorized, by existing provisions of law, to exercise over any Federal educational or training institution, or to prevent the furnishing of education or training under this part in any institution over which supervision or control is exercised by such other department, agency, or officer under authority of existing provisions of law.

"9. The Administrator of Veterans' Affairs is authorized and empowered to administer this title, and, insofar as he deems practicable, shall utilize existing facilities and services of Federal and State depart-

ments and agencies on the basis of mutual agreements with them. Consistent with and subject to the provisions and limitations set forth in this title, the Administrator shall, from time to time, prescribe and promulgate such rules and regulations as may be necessary to carry out its purposes and provisions.

"10. The Administrator may arrange for educational and vocational guidance to persons eligible for education and training under this part. At such intervals as he deems necessary, he shall make available information respecting the need for general education and for training personnel in the various crafts, trades, and professions: *Provided*, That facilities of other Federal agencies collecting such information shall be utilized to the extent he deems practicable.

"11. As used in this part, the term 'educational or training institutions' shall include all public or private elementary, secondary, and other schools furnishing education for adults, business schools and colleges, correspondence schools, scientific and technical institutions, colleges, vocational schools, junior colleges, teachers colleges, normal schools, professional schools, universities, and other educational institutions, and shall also include business or other establishments providing apprentice or other training on the job, including those under the supervision of an approved college or university or any State department of education, or any State apprenticeship agency or State board of vocational education, or any State apprenticeship council or the Federal Apprentice Training Service established in accordance with Public, Numbered 308, Seventy-fifth Congress, or any agency in the executive branch of the Federal Government authorized under other laws to supervise such training.

"12. The Government shall pay for these correspondence courses quarterly as the course is completed.

"13. No correspondence school shall be approved unless it was in existence prior to the date of this Act."

SEC. 401. Section 3, Public Law Numbered 16, Seventy-eighth Congress, is hereby amended to read as follows:

"SEC. 3. The appropriation for the Veterans' Administration, 'Salaries and expenses, medical and hospital, and compensation and pensions,' shall be available for necessary expenses under part VII, as amended, or part VIII of Veterans Regulation Numbered 1 (a), and there is hereby authorized to be appropriated such additional amount or amounts as may be necessary to accomplish the purposes thereof. Such expenses may include, subject to regulations issued by the Administrator and in addition to medical care, treatment, hospitalization, and prosthesis, otherwise authorized, such care, treatment, and supplies as may be necessary to accomplish the purposes of part VII, as amended, or part VIII of Veterans Regulation Numbered 1 (a)."

SEC. 402. Public Law Numbered 16, Seventy-eighth Congress, is hereby amended by adding thereto a new section 4 to read as follows:

"SEC. 4. Any books, supplies, or equipment furnished a trainee or student under part VII or part VIII of Veterans Regulation Numbered 1 (a) shall be deemed released to him: *Provided*, That if he fail, because of fault on his part to complete the course of training or education afforded thereunder, he may be required, in the discretion of the Administrator, to return any or all of such books, supplies, or equipment not actually expended or to repay the reasonable value thereof."

SEC. 403. Paragraph 1, part VII, Veterans Regulation Numbered 1 (a) (Public Law Numbered 16, Seventy-eighth Congress), is hereby amended by inserting after the word "time" the words "on or" and deleting the date "December 6, 1941" and substituting therefor the date "September 16, 1940".



**TITLE III—LOANS FOR THE PURCHASE OR CONSTRUCTION OF HOMES, FARMS, AND BUSINESS PROPERTY**

**CHAPTER V—GENERAL PROVISIONS FOR LOANS**

**SEC. 500.** (a) Any person who shall have served in active military or naval service of the United States at any time on or after September 16, 1940, and prior to the termination of the present war, and who shall have been discharged or released therefrom under conditions other than dishonorable after active service of ninety days or more, or by reason of an injury or disability incurred in service in line of duty, shall be eligible for benefits of this title. Any such veteran may apply within six years after separation from the military or naval forces, or six years after termination of the war, whichever is the later date, but in no event more than eight years after the termination of the war, to any of the established lending agencies hereinafter set forth for a loan for the purposes set forth in the title in any amount that may be agreed upon between the lender and the veteran, and when such a loan is made by the lender the lender is automatically guaranteed 50 per centum of the loan by the Administrator of Veterans' Affairs and this Act is the guaranty: *Provided*, That the aggregate amount guaranteed shall not exceed \$2,000: *Provided further*, That no loan shall be negotiated until thirty days after the date of the veteran's discharge.

(b) Interest for the first year on that part of the loan [guaranteed] guaranteed shall be paid by the Administrator out of available appropriations.

(c) The liability under the guaranty, within the limitations of this title, shall decrease or increase pro rata with any decrease or increase of the amount of the unpaid portion of the obligation: *Provided*, That loans guaranteed shall bear interest at a rate not exceeding 4 percent per annum and shall be payable in full in not more than 20 years.

*Certificate of eligibility*

**SEC. 501.** (a) An honorable discharge shall be the veteran's certificate of eligibility to apply for a guaranteed loan. All veterans who have a discharge other than honorable or dishonorable shall received from the Administration upon request after discharge a certificate of eligibility. Upon the making of a loan as provided herein the lender shall endorse on the back of the honorable discharge or certificate, in lieu of discharge or certificate of eligibility, the date and amount of the loan and shall also forthwith transmit to the Administrator a statement setting forth the full name and serial number of the veteran, amount and terms of the loan, and the legal description of the property. No approval of the loan shall be required from the Administrator. Loans may be made by any Federal Reserve bank, National bank, State bank, private bank, building and loan association, insurance company, or mortgage and loan company established prior to the date of this act, and any other lending institution or any person approved by the Administrator.

(b) All national banks wherever located and all other banks and trust companies located in the District of Columbia and other Territories and possessions of the United States, without regard to the limitations and restrictions of any other statute or ruling of the Federal Reserve Board, are authorized to make any loans guaranteed under the provisions of the Servicemen's Readjustment Act of 1944, as the same is now or may hereby be amended.

*Purchase or construction of homes*

**SEC. 502.** (a) Any application made by a veteran under this title for a loan to be used in purchasing residential property or in constructing a dwelling [or] on unimproved property owned by him to be occu-

pied as his home may be approved if the lender finds—

(1) that the proceeds of such loans will be used for payment for such property to be purchased or constructed by the veteran;

(2) that the contemplated terms of payment required in any mortgage to be given in part payment of the purchase price or the construction cost bear a proper relation to the veteran's present and anticipated income and expense; and that the nature and condition of the property is such as to be suitable for dwelling purposes; and

(3) that the purchase price paid or to be paid by the veteran for such property or the construction cost, including the value of the unimproved lot, does not exceed the reasonable value thereof as determined by the lender's appraisal.

(b) Any application for a loan under this section for the purpose of making repairs, alterations, or improvements in, or paying delinquent indebtedness, taxes, or special assessments on residential property owned by the veteran and used by him as his home, may be approved by the lender if the proceeds of such loan will be used for such purpose or purposes.

(c) No first mortgage shall be ineligible for insurance under the National Housing Act, as amended, by reason of any loan guaranteed under this title, or by reason of any secondary lien upon the property involved securing such loan.

*Purchase of farms and farm equipment*

**SEC. 503.** Any application made under this title for the guaranty of a loan to be used in purchasing any land, building, livestock, equipment, machinery, or implements, or in repairing, altering, or improving any buildings or equipment, to be used in farming operations conducted by the applicant may be approved if the lender finds—

(1) that the proceeds of such loan will be used in payment for real or personal property purchased or to be purchased by the veteran, or for repairing, altering, or improving any buildings or equipment, to be used in bona fide farming operations conducted by him;

(2) that such property will be useful in and reasonably necessary for efficiently conducting such operations;

(3) that the ability and experience of the veteran, and nature of the proposed farming operations to be conducted by him, are such that there is a reasonable likelihood that such operations will be successful; and

(4) that the purchase price paid or to be paid by the veteran for such property does not exceed the reasonable value thereof as determined by the lender's appraisal.

*Purchase of business property*

**SEC. 504.** Any application made under this title for the guaranty of a loan to be used in purchasing any business, land, buildings, supplies, equipment, machinery, or tools, to be used by the applicant in pursuing a gainful occupation (other than farming) may be approved if the lender finds—

(1) that the proceeds of such loan will be used for payment for real or personal property purchased or to be purchased by the veteran and used by him in the bona fide pursuit of such gainful occupation;

(2) that such property will be useful in and reasonably necessary for the efficient and successful pursuit of such occupation;

(3) that the ability and experience of the veteran, and the conditions under which he proposes to pursue such occupation, are such that there is a reasonable likelihood that he will be successful in the pursuit of such occupation; and

(4) that the purchase price paid or to be paid by the veteran for such property does not exceed the reasonable value thereof as determined by the lender's appraisal.

**SEC. 505.** In the event the veteran defaults in the payment of his loan and after suit or foreclosure and sale the deficiency is determined, then upon notification from the lender, the Administrator of Veterans' Affairs shall pay to the lender its guaranty not in excess of \$2,000 and not in excess of the deficiency, and be subrogated to the rights of the lender to the extent of the amount paid on the guaranty: *Provided*, That prior to suit or foreclosure the lender shall notify the Administrator, and within 30 days thereafter the Administrator may, at his option, pay the lender the [face] unpaid balance of the loan plus accrued interest and receive an assignment of the loan and security and thereafter sue or foreclose in the name of the Veterans' Administration.

**TITLE IV**

**CHAPTER VI—EMPLOYMENT OF VETERANS**

**SEC. 600.** (a) In the enactment of the provisions of this title Congress declares as its intent and purpose that there shall be an effective job counseling and employment placement service for veterans, and that, to this end, policies shall be promulgated and administered, so as to provide for them the maximum of job opportunity in the field of gainful employment. For the purpose there is hereby created to cooperate with and assist the United States Employment Service, as established by the provisions of the act of June 6, 1933, a Veterans' Placement Service Board, which shall consist of the Administrator of Veterans' Affairs, as Chairman, the Director of the National Selective Service System, and the Administrator of the Federal Security Agency, or whoever may have the responsibility of administering the functions of the United States Employment Service. The Board shall determine all matters of policy relating to the administration of the Veterans' Employment Service of the United States Employment Service.

(b) The Chairman of the Board shall have direct authority and responsibility for carrying out its policies through the veterans' employment representatives in the several States or through persons engaged in activities authorized by subsection (g) of section 8 of the Selective Service Act of 1940 (Public Law 783, 76th Cong., approved September 16, 1940, as amended (U. S. C., title 50, sec. 308)). The Chairman may delegate such authority to an executive secretary who shall be appointed by him and who shall thereupon be the Chief of the Veterans' Employment Service of the United States Employment Service.

(c) The public records of the Veterans' Personnel Division, National Selective Service System, and the Veterans' Employment Service of the United States Employment Service shall be available to the Board.

**SEC. 601.** The United States Employment Service shall assign to each of the States a veterans' employment representative, who shall be a veteran of the wars of the United States separated from active service under honorable conditions, who at the time of appointment shall have been a bona fide resident of the State for at least 2 years, and who shall be appointed, subject to the approval of the Board, in accordance with the civil-service laws, and whose compensation shall be fixed in accordance with the Classification Act of 1923, as amended. Each such veterans' employment representative shall be attached to the staff of the public employment service in the State to which he has been assigned. He shall be administratively responsible to the Board, through its executive secretary, for the execution of the Board's veterans' placement policies through the public employment service in the State. In cooperation with the public employment service staff in the State, he shall—

(a) be functionally responsible for the supervision of the registration of veterans in local employment offices for suitable types of



employment and for placement of veterans in employment;

(b) assist in securing and maintaining current information as to the various types of available employment in public works and private industry or business;

(c) promote the interest of employers in employing veterans;

(d) maintain regular contact with employers and veterans' organizations with a view of keeping employers advised of veterans available for employment and veterans advised of opportunities for employment; and

(e) assist in every possible way in improving working conditions and the advancement of employment of veterans.

SEC. 602. Where deemed necessary by the Board, there shall be assigned by the administrative head of the employment service in the State one or more employees, preferably veterans, of the staffs of local employment service offices, whose services shall be primarily devoted to discharging the duties prescribed for the veterans' employment representative.

SEC. 603. All Federal agencies shall furnish the Board such records, statistics, or information as may be deemed necessary or appropriate in administering the provisions of this title, and shall otherwise cooperate with the Board in providing continuous employment opportunities for veterans.

SEC. 604. The Federal agency administering the United States Employment Service shall maintain that Service as an operating entity and, during the period of its administration, shall effectuate the provisions of this title.

SEC. 605. (a) The Board through its executive secretary shall estimate the funds necessary for the proper and efficient administration of this title; such estimated sums shall include the annual amounts necessary for salaries, rents, printing and binding, travel, and communications. Sums thus estimated shall be included as a special item in the annual budget of the United States Employment Service. Any funds appropriated pursuant to this special item as contained in the budget of the United States Employment Service shall not be available for any purpose other than that for which they were appropriated, except with the approval of the Board.

(b) The War Manpower Commission shall from its current appropriation allocate and make available sufficient funds to carry out the provisions of this title during the current fiscal year.

SEC. 606. The term "United States Employment Service" as used in this title means that bureau created by the provisions of the act of June 6, 1933, or such successor agencies as from time to time shall perform its functions and duties, as now performed by the War Manpower Commission.

SEC. 607. The term "veteran" as used in this title shall mean a person who served in the active service of the armed forces during a period of war in which the United States has been, or is engaged, and who has been discharged or released therefrom under conditions other than dishonorable.

#### TITLE V

##### CHAPTER VII—READJUSTMENT ALLOWANCES FOR FORMER MEMBERS OF THE ARMED FORCES WHO ARE UNEMPLOYED

SEC. 700. (a) Any person who shall have served in the active military or naval service of the United States at any time after September 16, 1940, and prior to the termination of the present war, and who shall have been discharged or released from active service under conditions other than dishonorable, after active service of 90 days or more, or by reason of an injury or disability incurred in service in line of duty, shall be entitled, in accordance with the provisions of this title and regulations issued by the Administrator of Veterans' Affairs pursuant thereto, to receive a readjustment allowance as provided herein for each week of unemployment, not

to exceed a total of 52 weeks, which (1) begins after the first Sunday of the third calendar month after the date of enactment hereof, and (2) occurs not later than 2 years after discharge or release or the termination of the war, whichever is the later date: *Provided*, That no such allowance shall be paid for any period for which he receives increased pension under part VII of Veterans Regulation 1 (a) or a subsistence allowance under part VIII of such regulation: *Provided further*, That no readjustment allowance shall be payable for any week commencing more than 5 years after the termination of hostilities in the present war.

(b) Such person shall be deemed eligible to receive an allowance for any week of unemployment if claim is made for such allowance and the Administrator finds with respect to such week that—

(1) the person is residing in the United States at the time of such claim;

(2) the person is completely unemployed, having performed no service and received no wages, or is partially unemployed in that services have been performed for less than a full workweek and the wages for the week are less than the allowance under this title plus \$3;

(3) the person is registered with and continues to report to a public employment office, in accordance with its regulations;

(4) the person is able to work and available for suitable [works] work: *Provided*, That no claimant shall be considered ineligible in any period of continuous unemployment for failure to comply with the provisions of this subparagraph if such failure is due to an illness or disability which occurs after the commencement of such period.

#### CHAPTER VIII—DISQUALIFICATIONS

SEC. 800. (a) Notwithstanding the provisions of section 700, a claimant shall be disqualified from receiving an allowance if—

(1) he leaves suitable work voluntarily, without good cause, or is suspended or discharged for misconduct in the course of employment;

(2) he, without good cause, fails to apply for suitable work to which he has been referred by a public employment office, or to accept suitable work when offered him; or

(3) he, without good cause, does not attend an available free training course as required by regulations issued pursuant to the provisions of this title.

(b) Notwithstanding the provisions of section 700, a claimant shall also be disqualified from receiving an allowance for any week with respect to which it is found that his unemployment is due to a stoppage of work which exists because of a labor dispute at the factory, establishment, or other premises at which he is or was last employed: *Provided*, That this subsection shall not apply if it is shown that—

(1) he is not participating in or directly interested in the labor dispute which causes the stoppage of work; and

(2) he does not belong to a grade or class of workers of which, immediately before the commencement of the stoppage there were members employed at the premises at which the stoppage occurs, any of whom are participating in or directly interested in the dispute: *Provided, however*, That if in any case separate branches of work, which are commonly conducted as separate business in separate premises, are conducted in separate departments of the same premises, each such department shall, for the purposes of this subsection, be deemed to be a separate factory, establishment, or other premises.

(c) (1) If a claimant is disqualified under the provisions of subsection (a) of this section, he shall be disqualified to receive any readjustment allowance for the week in which the cause of his disqualification occurred and for not more than four immediately following weeks.

(2) In addition to the disqualification prescribed in paragraph (1) above, the Administrator may, in cases of successive disqualifications under the provisions of subsection (a) of this section, extend the period of disqualification for such additional period as the Administrator may prescribe, but not to exceed eight additional weeks in the case of any one disqualification.

(d) (1) In determining under subsection (a) of this section the suitability of work or the existence of good cause with respect to a claimant, the conditions and standards prescribed by the unemployment compensation laws of the State in which he files his claim shall govern: *Provided*, That the Administrator may prescribe conditions and standards for applicants in any State having no applicable statute.

(2) In determining under subsection (a) of this section the suitability of work, no work shall be deemed suitable for an individual if—

(A) the position offered is vacant due directly to a strike, lock-out, or other labor dispute; or

(B) the wages, hours, or other conditions of the work offered are substantially less favorable to him than those prevailing for similar work in the locality.

#### CHAPTER IX—AMOUNT OF ALLOWANCE AND PAYMENT

SEC. 900. (a) The allowance for a week shall be \$20 less that part of the wages payable to him for such week which is in excess of \$3: *Provided*, That where the allowance is not a multiple of \$1, it shall be computed to the next highest multiple of \$1.

(b) The number of weeks of allowances to which each eligible veteran shall be entitled shall be determined as follows: For each calendar month or major fraction thereof of active service during the period stated in section 700 the veteran shall be entitled to 4 weeks of allowances, but in no event to exceed the maximum provided in section 700: *Provided*, That the allowance for the qualifying 90 days service shall be 8 weeks for each such month.

SEC. 901. (a) Readjustment allowances shall be paid at the intervals prescribed by the unemployment compensation law of the State in which the claim was made: *Provided*, That if none are so prescribed readjustment allowances shall be paid at such reasonable intervals as may be determined by the Administrator.

(b) Any allowances remaining unpaid upon the death of a claimant shall not be considered a part of the assets of the estate of the claimant, or liable for the payment of his debts, or subject to any administration of his estate, and the Administrator may make payment thereof to such person or persons he finds most equitably entitled thereto.

SEC. 902. (a) Any person qualified under subsection (a) of section 700, and residing in the United States who is self-employed for profit in an independent establishment, trade, business, profession, or other vocation shall be eligible for readjustment allowances under this title within the time periods applicable, and not in excess of the total amount provided in this title.

(b) Upon application by the veteran showing, in accordance with rules prescribed by the Administrator, that he has been fully engaged in such self-employment and that his net earnings in a trade, business, profession, or vocation, have been less than \$100 in the previous calendar month, the veteran shall be entitled to receive, subject to the limitations of this title as to time and amount, the difference (adjusted to the next highest multiple of \$1), between \$100 and his net earnings for such month.

(c) Payment of such allowance shall be made by the Administrator to each eligible veteran at the time and in the manner other



payments are made directly to veterans by the Administrator.

(d) Subsection (b) of section 700 and section 800 shall not apply in determining the eligibility for allowances of a claimant under this section.

#### CHAPTER X.—ADJUSTMENT OF DUPLICATE BENEFITS

SEC. 1000. Where an allowance is payable to a claimant under this title and where, for the same period, either an allowance or benefit is received under any Federal or State unemployment or disability compensation law, the amount received or accrued from such other source shall be subtracted from the allowance payable under this title (except that this section shall not apply to pension, compensation, or retired pay paid by the Veterans' Administration); and the resulting allowances, if not a multiple of \$1, shall be readjusted to the next higher multiple of \$1.

#### CHAPTER XI.—ADMINISTRATION

SEC. 1100. (a) The Administrator of Veterans' Affairs is authorized to administer this title and shall, insofar as possible, utilize existing facilities and services of Federal and State departments or agencies or the basis of mutual agreements with such departments or agencies. Such agreements shall provide for the filing of claims for readjustment allowances with the Administrator through established public employment offices and State unemployment-compensation agencies. Such agencies, through agreement, shall also be utilized in the processing, adjustment, and determination of such claims and the payment of such allowances. To facilitate the carrying out of agreements with State departments or agencies and to assist in the discharge of the Administrator's duties under this title, a representative of the Administrator, who shall be a war veteran separated from active service under honorable conditions and who at the time of appointment shall have been a bona fide resident of the State for at least 2 years, shall be located in each participating State department or agency.

(b) The Administrator, consistent with the provisions of this title, shall prescribe such rules and regulations and require such records and reports as he may find necessary to carry out its purposes: *Provided, however*, That cooperative rules and regulations relating to the performance by Federal or State departments, or agencies, of functions under agreements made therewith may be made by the Administrator after consultation and advisement with representatives of such departments or agencies.

(c) The Administrator may delegate to any officer or employee of his own or of any cooperating department or agency of any State such of his powers and duties, except that of prescribing rules and regulations, as the Administrator may consider necessary and proper to carry out the purposes of this title.

(d) Allowances paid by the cooperating State agencies shall be repaid upon certification by the Administrator. The Secretary of the Treasury, through the Division of Disbursement of the Treasury, and without the necessity of audit and settlement by the General Accounting Office, shall pay monthly to the departments, agencies, or individuals designated, the amounts so certified.

(e) The Administrator shall from time to time certify to the Secretary of the Treasury for payment in advance or otherwise such sums as he estimates to be necessary to compensate any Federal department or agency for its administrative expenses under this title. Such sums shall cover periods of no longer than 6 months.

(f) The Administrator shall also from time to time certify to the Social Security Board such State departments or agencies as may be participating in the administration of

this title, and the amount of the administrative expense incurred or to be incurred by a State under agreements made pursuant to this section. Upon such certification the Social Security Board shall certify such amount to the Secretary of the Treasury, in addition to the amount, if any, payable by said Board under the provisions of section 302 (a) of the Social Security Act, as amended, and the additional amount so certified shall be paid to each State by the Secretary of the Treasury out of the appropriation for the Veterans' Administration.

(g) Any money paid to any cooperating agency or person, which is not used for the purpose for which it was paid shall, upon termination of the period covered by such payment or the agreement with such agency or person, be returned to the Treasury and credited to the current appropriation for carrying out the purpose of this title, or, if returned after the expiration of period covered by this title, shall be covered into the Treasury as miscellaneous receipts.

SEC. 1101. (a) No person designated by the Administrator as a certifying officer shall, in the absence of gross negligence, or intent to defraud the United States, be liable with respect to the payment of any allowance certified by him under this title.

(b) No disbursing officer shall, in the absence of gross negligence, or intent to defraud the United States, be liable with respect to any payment by him under this title if it was based upon a voucher signed by a certifying officer designated by the Administrator.

SEC. 1102. Any claimant whose claim for an allowance has been denied shall be entitled to a fair hearing before an impartial tribunal of the State agency or such other agency as may be designated by the Administrator. The representative of the Administrator located in each State shall be the final appellate authority in regard to contested claims arising in such State, subject to review by the Administrator.

SEC. 1103. In the case of any veteran eligible under the provisions of this title who either at the time of application for the benefits herein provided is a "qualified employee" as defined in section 3 of the Railroad Unemployment Insurance Act, as amended, or was last employed prior to such application by an employer as defined in section 1 (a) of the said act, claim may be made through an office operated by or a facility designated as a free employment office by the Railroad Retirement Board pursuant to the provisions of said act. In such cases, the conditions and standards as to suitability of work or existence of good cause, the intervals for making claim for and payment of benefits, and the administrative and appellate procedures prescribed by or under said act shall govern, if not in conflict with the provisions of this title, the appellate procedures being subject to final appeal to the Administrator. In such cases, a reference in this title to a cooperating State agency shall be deemed to include the Railroad Retirement Board.

#### CHAPTER XII.—DECISIONS AND PROCEDURES

SEC. 1200. The authority to issue subpoenas and provisions for invoking aid of the courts of the United States in case of disobedience thereto, to make investigations, and to administer oaths, as contained in title III of the act of June 29, 1936 (49 Stat. 2033-34; U. S. C., title 38, secs. 131-133), shall be applicable in the administration of this title.

#### CHAPTER XIII.—PENALTIES

SEC. 1300. Any claimant who knowingly accepts an allowance to which he is not entitled shall be ineligible to receive any further allowance under this title.

SEC. 1301. (a) Whoever, for the purpose of causing an increase in any allowance authorized under this title, or for the purpose of causing any allowance to be paid where none is authorized under this title, shall make or cause to be made any false statement or

representation as to any wages paid or received, or whoever makes or causes to be made any false statement of a material fact in any claim for any allowance under this title, or whoever makes or causes to be made any false statement, representation, affidavit, or document in connection with such claim, shall be guilty of a misdemeanor and upon conviction thereof shall be fined not more than \$1,000 or imprisoned for not more than 1 year, or both.

(b) Whoever shall obtain or receive any money, check, or allowance under this title, without being entitled thereto and with intent to defraud the United States, shall be punished by a fine of not more than \$1,000 or by imprisonment for not more than 1 year, or both.

#### CHAPTER XIV.—DEFINITIONS

SEC. 1400. As used in this title—

(a) The term "week" means such period or periods of seven consecutive calendar days as may be prescribed in regulations by the Administrator.

(b) The term "wages" means all remuneration for services from whatever sources, including commissions and bonuses and the cash value of all remuneration in any medium other than cash.

#### TITLE VI

#### CHAPTER XV.—GENERAL ADMINISTRATIVE AND PENAL PROVISIONS

SEC. 1500. Except as otherwise provided in this act, the administrative, definitive, and penal provisions under Public, No. 2, Seventy-third Congress, as amended, and the provision of Public, No. 262, Seventy-fourth Congress, as amended (38 U. S. C. 450, 451, 454a, and 556a), shall be for application under this act. For the purpose of carrying out any of the provisions of Public, No. 2, as amended, and this act, the Administrator shall have authority to accept uncompensated services, and [too] to enter into contracts or agreements with private or public agencies, or persons, for necessary services, including personal services, as he may deem practicable.

SEC. 1501. Except as otherwise specified, the appropriations for the Veterans' Administration are hereby made available for expenditures necessary to carry out the provisions of this act and there is hereby authorized to be appropriated such additional amounts as may be necessary to accomplish the purposes of this act.

SEC. 1502. Wherever used in this act, unless the context otherwise requires, the singular includes the plural; the masculine includes the feminine; the term "Administrator" means the Administrator of Veterans' Affairs; the term "United States" used geographically means the several States, Territories, and possessions, and the District of Columbia; the term "State" means the several States, Territories and possessions, and the District of Columbia; and the phrases "termination of hostilities in the present war," "termination of the present war", and "termination of the war", mean termination of the war as declared by Presidential proclamation or concurrent resolution of the Congress.

SEC. 1503. A discharge or release from active service under conditions other than dishonorable shall be a prerequisite to entitlement to veterans' benefits provided by this act or Public Law No. 2, Seventy-third Congress, as amended.

SEC. 1504. The Administrator shall transmit to the Congress annually a report of operations under this act. If the Senate or the House of Representatives is not in session, such reports shall be transmitted to the Secretary of the Senate or the Clerk of the House of Representatives, as the case may be.

SEC. 1505. In the event there shall hereafter be authorized any allowance in the nature of adjusted compensation, any benefits received by, or paid for, any veteran un-



der this act shall be charged against and deducted from such adjusted compensation; and in the event a veteran has obtained a loan under the terms of this act, the agency disbursing such adjusted compensation shall first pay the unpaid balance and accrued interest due on such loan to the holder of the evidence of such indebtedness to the extent that the amount of adjusted compensation which may be payable will permit.

SEC. 1506. (a) Before any proposed regulation or order to carry out the purposes of this act shall be issued by any governmental agency exercising authority conferred hereunder, other than intraagency administrative rules or orders governing the conduct of its activities or interagency rules governing relations with other agencies of the Government, a draft thereof shall be submitted to the Committee on Finance of the Senate of the United States and to the Committee on World War Veterans' Legislation of the House of Representatives.

[(b) The draft of such proposed regulation or order shall be immediately assigned to the Committee on Finance in the Senate and to the Committee on World War Veterans' Legislation in the House of Representatives.] for study, to consider whether such rule or regulation is made in conformity with the spirit, letter, intent, and purpose of this Act, and that no unusual or unexpected use of powers herein granted is proposed. Such regulation or order may be approved or disapproved by the Committee on Finance of the Senate or by the Committee on World War Veterans' Legislation of the House of Representatives, or a duly authorized subcommittee of either. In the absence of action by either committee approving or disapproving such regulation or order, it may go into effect not earlier than the fifteenth day following, but not including the date of the receipt of the draft of such proposed regulation or order by [the President of the Senate and the Speaker of the House of Representatives] chairman of such committees. If sooner approved by either committee it may go into effect immediately upon such approval. Disapproval of such regulation or order by either committee shall suspend its issuance: *Provided*, That in the event of conflicting committee actions the earlier action shall govern.

[c] (b) For the purposes of this section the Committee on Finance of the Senate and the Committee on World War Veterans' Legislation of the House of Representatives, or any duly authorized subcommittees thereof, are authorized to sit and act during the sessions, recesses, and adjourned periods of the Congress.

[d] (c) This section shall be effective from the date of its approval.

#### AMENDING THE SERVICEMEN'S READJUSTMENT ACT OF 1944 TO PROVIDE FOR A READJUSTMENT ALLOWANCE FOR ALL VETERANS OF WORLD WAR II

Mr. RANKIN, from the Committee on World War Veterans' Legislation, submitted the following report:

The Committee on World War Veterans' Legislation, to whom was referred the bill (H. R. 3749) to amend the Servicemen's Readjustment Act of 1944 to provide for a readjustment allowance for all veterans of World War II, having considered the same, report favorably thereon, with the following amendments, and recommend that the bill as so amended do pass:

Page 9, line 24, change "officers" to "officer."

Page 15, line 24, change "institution" to "institutions."

Page 21, line 19, after "of", insert "the."

Page 21, line 21, change "guaranteed" to "guaranteed."

Page 22, line 6, before "An", insert "(a)."

Page 22, after line 23, insert the following:

"(b) All national banks wherever located and all other banks and trust companies lo-

cated in the District of Columbia, and other Territories and possessions of the United States, without regard to the limitations and restrictions of any other statute or ruling of the Federal Reserve Board, are authorized to make any loans guaranteed under the provisions of the Servicemen's Readjustment Act of 1944, as the same is now or may hereby be amended."

Page 23, line 2, after "dwelling", strike "or" and substitute in lieu thereof "on."

Page 26, line 11, strike "face" and insert in lieu thereof "unpaid balance."

Page 32, line 18, change "works" to "work."

Page 32, line 25, before "Notwithstanding", insert "(a)."

Page 44, line 5, change "too" to "to."

Page 46, beginning line 7, strike the period, strike all of lines 8, 9, and 10, and strike that part of line 11 preceding "for."

Page 46, beginning line 24, after "the", strike the remainder of line 24, strike line 25 through the period, and insert in lieu thereof "chairmen of such committees."

Page 47, line 5, change "(c)" to "(b)".

Page 47, line 11, change "(d)" to "(c)".

#### PURPOSE OF THE BILL

The Servicemen's Readjustment Act of 1944, was approved June 22, 1944. Beginning with the convening of the Seventy-ninth Congress numerous bills were introduced proposing various changes in the act. Your committee conducted hearings and met in executive session on numerous occasions to consider proposed changes. In addition to proposals made on which no bills were before the committee and much correspondence on the subject, 39 bills referred to the committee received study preparatory to recommendations contained in this bill, as reported. Your committee determined upon a reenactment of the Servicemen's Readjustment Act of 1944, with certain amendments found justifiable.

#### EFFECTS OF THE BILL

The bill will reenact, with amendments, the Servicemen's Readjustment Act of 1944, to be known as the "Servicemen's Readjustment Act of 1945."

Title I of the act, pertaining to hospitalization, claims, and procedures, would be amended to liberalize the provisions of section 104 to insure ample authority governing the procurement of prosthetic appliances and services in connection therewith to the disabled veterans, including necessary travel expenses. Section 302 would be clarified to use the proper reference to the retiring board of the Navy, namely, "Board of Medical Survey."

Title II of the act, pertaining to education of veterans, would be liberalized by extending the time in which a course can be initiated from 2 to 4 years after either the date of discharge or the termination of the present war, whichever is the later, and by extending the period during which education or training may be afforded, from 7 to 9 years after the termination of the present war. It will provide for short intensive postgraduate or vocational courses of less than 30 weeks with a provision that there shall be charged against the veteran's period of eligibility the proportion of an ordinary school year which the cost bears to \$500. The rate of subsistence allowance will be changed from \$50 to \$60 per month if the veteran is without a dependent or dependents and from \$75 to \$85 per month if he has a dependent or dependents.

The bill also provides for the inclusion of correspondence schools within the term "educational or training institutions," with appropriate amendments to the title to preclude payment of subsistence allowance while pursuing a course in a correspondence school and to include such courses within the provisions pertaining to payments to institutions. Provision is also made that the Government shall pay for the correspondence courses quarterly as the course is completed,

and no correspondence school shall be approved unless it was in existence prior to the date of the act.

The loan title III of the Servicemen's Readjustment Act has been completely revised; essentially, the eligibility and objectives are retained. The bill would extend the time within which application for a loan may be made, from 2 to 6 years after separation from the military or naval forces or after termination of the war, whichever is the later date, but in no event more than 8 years (now 5 years) after the termination of the war. The bill provides that the eligible veteran may apply to any of the established lending agencies set forth in the bill for a loan for the purposes set forth in the title in any amount that may be agreed upon between the lender and the veteran, and when such loan is made by the lender the lender is automatically guaranteed 50 percent of the loan by the Administrator of Veterans' Affairs and the act is the guaranty. The aggregate amount guaranteed shall not exceed \$2,000. It is provided that no loan shall be negotiated until 30 days after the date of the veteran's discharge. It will be noted that the application may be approved by the lending agency rather than the Administrator of Veterans' Affairs.

The bill as reported amends the loan title in several respects so as to conform with the purpose of simplifying the loan procedure and to remove complications in connection therewith. The bill provides that an honorable discharge shall be the veteran's certificate of eligibility to apply for a guaranteed loan, and veterans who have a discharge other than honorable or dishonorable shall receive from the Administrator upon request after discharge a certificate of eligibility. Upon making a loan the lender will endorse on the back of the honorable discharge or certificate in lieu of discharge or certificate of eligibility, the date and amount of the loan and shall also forthwith transmit to the Administrator a statement setting forth the full name and serial number of the veteran, amount and terms of the loan, and the legal description of the property. No approval of the loan shall be required by the Administrator. The title is revised to conform with this change.

The bill specifies that loans may be made by any Federal Reserve bank, national bank, State bank, private bank, building and loan association, insurance company, or mortgage and loan company established prior to the date of this act, and any other lending institution or any person approved by the Administrator. The bill further provides that all national banks wherever located and all other banks and trust companies located in the District of Columbia and other Territories and possessions of the United States, without regard to the limitations and restrictions of any other statute or ruling of the Federal Reserve Board, are authorized to make any loans guaranteed under the Servicemen's Readjustment Act of 1944, as the same is now or may hereby be amended.

The title, in connection with loans for homes, farms, or business property, substitutes for "reasonable normal value thereof as determined by proper appraisal" contained in the present law, the language "reasonable value thereof as determined by the lender's appraisal."

The title also provides that in the event the veteran defaults in payment of his loan and after suit or foreclosure and sale the deficiency is determined, then upon notification from the lender, the Administrator of Veterans' Affairs shall pay to the lender its guaranty not in excess of \$2,000 and not in excess of the deficiency, and be subrogated to the rights of the lender to the extent of the amount paid on the guaranty. It is provided that prior to suit or foreclosure, the lender shall notify the Administrator, and within 30 days thereafter the Administrator may, at his option, pay the lender the unpaid balance of the loan plus accrued interest and receive an assignment of the



loan and security and thereafter sue or foreclose in the name of the Veterans' Administration.

Title IV, pertaining to the employment of veterans, is reenacted without amendment.

Title V, pertaining to readjustment allowances, is reenacted without amendment.

Title VI of the act is reenacted without amendment except to add an additional section, No. 1506, which provides that any proposed regulation or order to carry out the purposes of this act, other than intraagency administrative rules or orders governing the conduct of its activities or interagency rules governing relations with other governmental agencies, shall, before becoming effective, be submitted to the Committee on Finance of the Senate and to the Committee on World War Veterans' Legislation of the House of Representatives. If neither committee acts within 15 days the rule or order would become effective. If approved by either committee, it would become effective immediately upon such approval, and if disapproved by either committee it would not be issued. It is provided that in the event of conflicting committee actions the earlier action shall govern. Provision is made for such committees or duly authorized subcommittees to sit and act during sessions, recesses, and adjourned periods of Congress. It is provided that this amendment shall be effective from the date of its approval.

#### RAMSEYER RULE

While the bill to a large extent reenacts the existing law, certain sections contain specific amendments.

In accordance with the provisions of clause 2a, rule XIII, of the Rules of the House of Representatives, the changes in the present law made by the various sections of the bill are shown as follows (existing law proposed to be omitted is in the black brackets; new matter is in italics; existing law in which no changes are proposed is shown in roman):

#### TITLE I

##### CHAPTER I—HOSPITALIZATION, CLAIMS, AND PROCEDURES

SEC. 100. The Veterans' Administration is hereby declared to be an essential war agency and entitled, *second only to the War and Navy Departments*, to [priority equal to the highest granted any department or agency of the Government] *priorities in personnel, [service, space,] equipment, supplies, and material under any laws, Executive orders, and regulations pertaining to priorities [.* During the continuance of the present war and for six months after its termination, the Administrator is authorized, for the purpose of extending benefits to veterans and dependents, and to the extent he deems necessary, to procure the necessary space for administrative, clinical, medical, and outpatient treatment purposes by lease, purchase, or construction of buildings, or by condemnation or declaration of taking, pursuant to existing statutes,], and in appointments of personnel from civil-service registers the Administrator of Veterans' Affairs is hereby granted the same authority and discretion as the War and Navy Departments and the United States Public Health Service: *Provided, That the provisions of this section as to priorities for materials shall apply to any State institution to be built for the care or hospitalization of veterans.*

SEC. 104. No person shall be discharged or released from active duty in the armed forces until his certificate of discharge or release from active duty and final pay, or a substantial portion thereof, are ready for delivery to him or to his next of kin or legal representative; and no person shall be discharged or released from active service on account of disability until and unless he has executed a claim for compensation, pension, or hospitalization, to be filed with the Veterans' Administration or has signed a statement that he has had explained to him the right to file

such claim: *Provided, That this section shall not preclude immediate transfer to a veterans' facility for necessary hospital care, nor preclude the discharge of any person who refuses to sign such claim or statement: And provided further, That refusal or failure to file a claim shall be without prejudice to any right the veteran may subsequently assert.*

Any [person] veteran entitled to a prosthetic appliance shall be [entitled, in addition to necessary] *furnished such fitting and training, including institutional training [.] in the use of such appliance as may be necessary, whether in a [service or a] Veterans' Administration [hospital] facility, other training institution, or by out-patient treatment, including such service under contract and including necessary travel expenses to and from their homes to such hospital or training institution.*

*The Administrator of Veterans' Affairs may procure any and all items mentioned herein, including necessary services required in the fitting, supplying, and training in use of such items by purchase, manufacture, contract, or in such other manner as the Administrator may determine to be proper without regard to any other provision of law.*

SEC. 302 (a) The Secretary of War, the Secretary of the Navy, and the Secretary of the Treasury are authorized and directed to establish, from time to time, boards of review composed of five commissioned officers, two of whom shall be selected from the Medical Corps of the Army or Navy, or from the Public Health Service, as the case may be. It shall be the duty of any such board to review, at the request of any officer retired or released to inactive service, without pay, for physical disability pursuant to the decision of a retiring board or board of medical survey, the findings and decision of such retiring board or board of medical survey. Such review shall be based upon all available service records relating to the officer requesting such review, and such other evidence as may be presented by such officer. Witnesses shall be permitted to present testimony either in person or by affidavit, and the officer requesting review shall be allowed to appear before such board of review in person or by counsel. In carrying out its duties under this section such board of review shall have the same powers as exercised by, or vested in, the retiring board whose findings and decision are being reviewed. The proceedings and decision of each such board of review affirming or reversing the decision of the retiring board shall be transmitted to the Secretary of War, the Secretary of the Navy, or the Secretary of the Treasury, as the case may be, and shall be laid by him before the President for his approval or disapproval and orders in the case.

(b) No request for review under this section shall be valid unless filed within fifteen years after the date of retirement for disability or after the effective date of this Act, whichever is the later.

(c) As used in this section—

(1) the term "officer" means any officer subject to the laws granting retirement for active service in the Army, Navy, Marine Corps, or Coast Guard, or any of their respective components;

(2) the term "counsel" shall have the same meaning as when used in section 301 of this Act.

#### TITLE II

##### CHAPTER IV—EDUCATION OF VETERANS

SEC. 400. (a) Subsection (f) of section 1, title I, Public Law Numbered 2, Seventy-third Congress, added by the Act of March 24, 1943 (Public Law Numbered 16, Seventy-eighth Congress), is hereby amended to read as follows:

"(f) Any person who served in the active military or naval force on or after September 16, 1940, and prior to the termination of hostilities in the present war, shall be entitled to vocational rehabilitation subject to the provisions and limitations of Veterans

Regulation Numbered 1 (a), as amended, part VII, or to education or training subject to the provisions and limitations of part VIII."

(b) Veterans Regulation Numbered 1 (a), is hereby amended by adding a new part VIII, as follows:

#### "PART VIII

"1. Any person who served in the active military or naval service on or after September 16, 1940, and prior to the termination of the present war, and who shall have been discharged or released therefrom under conditions other than dishonorable, and whose education or training was impeded, delayed, interrupted, or interfered with by reason of his entrance into the service, or who desires a refresher or retraining course, and who either shall have served ninety days or more, exclusive of any period he was assigned for a course of education or training under the Army specialized training program or the Navy college training program, which course was a continuation of his civilian course and was pursued to completion, or as a cadet or midshipman at one of the service academies, or shall have been discharged or released from active service by reason of an actual service-incurred injury or disability, shall be eligible for and entitled to receive education or training under this part: *Provided, That such course shall be initiated not later than [two] four years after either the date of his discharge or the termination of the present war, whichever is the later: Provided further, That no such education or training shall be afforded beyond [seven] nine years after the termination of the present war: And provided further, That any such person who was not over 25 years of age at the time he entered the service shall be deemed to have had his education or training impeded, delayed, interrupted, or interfered with.*

"2. Any such eligible person shall be entitled to education or training, or a refresher or retraining course, at an approved educational or training institution, for a period of one year (or the equivalent thereof in continuous part-time study), or for such lesser time as may be required for the course of instruction chosen by him. Upon satisfactory completion of such course of education or training, according to the regularly prescribed standards and practices of the institutions, except a refresher or retraining course, such person shall be entitled to an additional period or periods of education or training, not to exceed the time such person was in the active service on or after September 16, 1940, and before the termination of the war, exclusive of any period he was assigned for a course of education or training under the Army specialized training program or the Navy college training program, which course was a continuation of his civilian course and was pursued to completion, or as a cadet or midshipman at one of the service academies, but in no event shall the total period of education or training exceed four years: *Provided, That his work continues to be satisfactory throughout the period, according to the regularly prescribed standards and practices of the institution: Provided, however, That wherever the additional period of instruction ends during a quarter or semester and after a major part of such quarter or semester has expired such period of instruction shall be extended to the termination of such unexpired quarter or semester.*

"3. (a) Such person shall be eligible for and entitled to such course of education or training as he may elect, and at any approved educational or training institution at which he chooses to enroll, whether or not located in the State in which he resides, which will accept or retain him as a student or trainee in any field or branch of knowledge which such institution finds him qualified to undertake or pursue: *Provided, That, for reasons satisfactory to the Administrator, he may*



change a course of instruction: *And provided further*, That any such course of education or training may be discontinued at any time, if it is found by the Administrator that, according to the regularly prescribed standards and practices of the institution, the conduct or progress of such person is unsatisfactory.

"(b) *Any such eligible person may apply for a short, intensive, postgraduate or vocational training course of less than 30 weeks: Provided, That the Administrator shall have the authority to contract with approved institutions for such courses if he finds that the agreed cost of such courses is reasonable and fair: Provided further, That the limitation of paragraph 5 shall not prevent the payment of such agreed rates, but there shall be charged against the veteran's period of eligibility the proportion of an ordinary school year which the cost of the course bears to \$500.*

"4. From time to time the Administrator shall secure from the appropriate agency of each State a list of the educational and training institutions (including industrial establishments), within such jurisdiction, which are qualified and equipped to furnish education or training (including apprenticeship and refresher or retraining training), which institutions, together with such additional ones as may be recognized and approved by the Administrator, shall be deemed qualified and approved to furnish education or training to such persons as shall enroll under this part: *Provided*, That wherever there are established State apprenticeship agencies expressly charged by State laws to administer apprentice training, whenever possible, the Administrator shall utilize such existing facilities and services in training on the job when such training is of one year's duration or more.

"5. The Administrator shall pay to the educational or training institution, for each person enrolled in full time [or], part time, or correspondence course of education or training, the customary cost of tuition, and such laboratory, library, health, infirmary, and other similar fees as are customarily charged, and may pay for books, supplies, equipment, and other necessary expenses, exclusive of board, lodging, other living expenses, and travel, as are generally required for the successful pursuit and completion of the course by other students in the institution: *Provided*, That in no event shall such payments, with respect to any person, exceed \$500 for an ordinary school year: *Provided further*, That no payments shall be made to [institution] institutions, business or other establishments furnishing apprentice training on the job: *And provided further*, That if any such institution has no established tuition fee, or if its established tuition fee shall be found by the Administrator to be inadequate compensation to such institution for furnishing such education or training, he is authorized to provide for the payment, with respect to any such person, of such fair and reasonable compensation as will not exceed \$500 for an ordinary school year.

"6. While enrolled in and pursuing a course other than a course in a correspondence school under this part, such person, upon application to the Administrator, shall be paid a subsistence allowance of [\$50] \$60 per month, if without a dependent or dependents, or [\$75] \$85 per month, if he has a dependent or dependents, including regular holidays and leave not exceeding thirty days in a calendar year. Such person attending a course on a part-time basis, and such person receiving compensation for productive labor performed as part of their apprentice or other training on the job at institutions, business, or other establishments, shall be entitled to receive such lesser sums, if any, as subsistence or dependency allowances, as may be determined by the Administrator: *Provided*, That any such per-

son eligible under this part, and within the limitations thereof, may pursue such full time or part-time course or courses as he may elect, without subsistence allowance.

"7. Any such person eligible for the benefits of this part, who is also eligible for the benefit of part VII, may elect which benefit he desires: *Provided*, That, in the event of such election, subsistence allowance hereunder shall not exceed the amount of additional pension payable for training under said part VII.

"8. No department, agency, or officer of the United States, in carrying out the provisions of this part, shall exercise any supervision or control, whatsoever, over any State educational agency, or State apprenticeship agency, or any educational or training institution: *Provided*, That nothing in this section shall be deemed to prevent any department, agency, or officer of the United States from exercising any supervision or control which such department, agency, or officer is authorized, by existing provisions of law, to exercise over any Federal educational or training institution, or to prevent the furnishing of education or training under this part in any institution over which supervision or control is exercised by such other department, agency, or officer under authority of existing provisions of law.

"9. The Administrator of Veterans' Affairs is authorized and empowered to administer this title, and, insofar as he deems practicable, shall utilize existing facilities and services of Federal and State departments and agencies on the basis of mutual agreements with them. Consistent with and subject to the provisions and limitations set forth in this title, the Administrator shall, from time to time, prescribe and promulgate such rules and regulations as may be necessary to carry out its purposes and provisions.

"10. The Administrator may arrange for educational and vocational guidance to persons eligible for education and training under this part. At such intervals as he deems necessary, he shall make available information respecting the need for general education and for training personnel in the various crafts, trades, and professions: *Provided*, That facilities of other Federal agencies collecting such information shall be utilized to the extent he deems practicable.

"11. As used in this part, the term 'educational or training institutions' shall include all public or private elementary, secondary, and other schools furnishing education for adults, business schools and colleges, correspondence schools, scientific and technical institutions, colleges, vocational schools, junior colleges, teachers colleges, normal schools, professional schools, universities, and other educational institutions, and shall also include business or other establishments providing apprentice or other training on the job, including those under the supervision of an approved college or university or any State department of education, or any State apprenticeship agency or State board of vocational education, or any State apprenticeship council or the Federal Apprentice Training Service established in accordance with Public, Numbered 308, Seventy-fifth Congress, or any agency in the executive branch of the Federal Government authorized under other laws to supervise such training."

"12. The Government shall pay for these correspondence courses quarterly as the course is completed.

"13. No correspondence school shall be approved unless it was in existence prior to the date of this Act.

### TITLE III—LOANS FOR THE PURCHASE OR CONSTRUCTION OF HOMES, FARMS, AND BUSINESS PROPERTY

#### CHAPTER V—GENERAL PROVISIONS FOR LOANS

SEC. 500. (a) Any person who shall have served in [the] active military or naval serv-

ice of the United States at any time on or after September 16, 1940, and prior to the termination of the present war, and who shall have been discharged or released therefrom under conditions other than dishonorable after active service of ninety days or more, or by reason of an injury or disability incurred in service in line of duty, shall be eligible for [the] benefits of this title. Any such veteran may apply within [two] six years after separation from the military or naval forces, or [two] six years after termination of the war, whichever is the later date, but in no event more than [five] eight years after the termination of the war, to [the] Administrator of Veterans' Affairs for the guaranty by the Administrator of not to exceed 50 per centum of a loan or loans for any of the purposes specified in sections 501, 502 and 503] any of the established lending agencies hereinafter set forth for a loan for the purposes set forth in the title in any amount that may be agreed upon between the lender and the veteran, and when such a loan is made by the lender the lender is automatically guaranteed 50 per centum of the loan by the Administrator of Veterans' Affairs and this Act is the guaranty: *Provided*, That the aggregate amount guaranteed shall not exceed \$2,000 [If the Administrator finds that the veteran is eligible for the benefits of this title and that the loan applied for appears practicable, the Administrator shall guarantee the payment of the part thereof as set forth in this title.]: *Provided further*, That no loan shall be negotiated until thirty days after the date of the veteran's discharge.

(b) Interest for the first year on that part of the loan guaranteed [by the Administrator] shall be paid by the Administrator out of available appropriations. [No security for the guaranty of a loan shall be required except the right to be subrogated to the lien rights of the holder of the obligation which is guaranteed: *Provided*, That pursuant to regulations to be issued by the Administrator the mortgagor and mortgagee shall agree that before beginning foreclosure proceedings for default in payment of principal or interest due, the Administrator shall have at least thirty days' notice with the option of bidding in the property on foreclosure or of refinancing the loan with any other agency or by any other means available.]

(c) [Loans guaranteed by the Administrator under this title shall be payable under such terms and conditions as may be approved by the Administrator: *Provided*, That the] The liability under the guaranty, within the limitations of this title, shall decrease or increase pro rata with any decrease or increase of the amount of the unpaid portion of the obligation: *Provided [further]*, That loans guaranteed [by the Administrator] shall bear interest at a rate not exceeding 4 per centum per annum and shall be payable in full in not more than twenty years. [The Administrator is authorized and directed to guarantee loans to veterans subject to the provisions of this title on approved applications made to persons, firms, associations, and corporations and to governmental agencies and corporations, either State or Federal.]

#### Certificate of eligibility

Sec. 501. (a) An honorable discharge shall be the veteran's certificate of eligibility to apply for a guaranteed loan. All veterans who have a discharge other than honorable or dishonorable shall receive from the Administrator upon request after discharge a certificate of eligibility. Upon the making of a loan as provided herein the lender shall endorse on the back of the honorable discharge or certificate, in lieu of discharge or certificate of eligibility, the date and amount of the loan and shall also forthwith trans-



mit to the Administrator a statement setting forth the full name and serial number of the veteran, amount and terms of the loan, and the legal description of the property. No approval of the loan shall be required from the Administrator. Loans may be made by any Federal Reserve bank, National bank, State bank, private bank, building and loan association, insurance company, or mortgage and loan company established prior to the date of this Act, and any other lending institution or any person approved by the Administrator.

(b) All national banks wherever located and all other banks and trust companies located in the District of Columbia and other Territories and possessions of the United States, without regard to the limitations and restrictions of any other statute or ruling of the Federal Reserve Board, are authorized to make any loans guaranteed under the provisions of the Servicemen's Readjustment Act of 1944, as the same is now or may hereby be amended.

#### Purchase or construction of homes

SEC. [501. (a)] 502. (a) Any application made by a veteran under this title for [the guaranty of] a loan to be used in purchasing residential property or in constructing a dwelling[or] on unimproved property owned by him to be occupied as his home may be approved [by the Administrator of Veterans' Affairs] if [he] the lender finds—

(1) that the proceeds of such loans will be used for payment for such property to be purchased or constructed by the veteran;

(2) that the contemplated terms of payment required in any mortgage to be given in part payment of the purchase price or the construction cost bear a proper relation to the veteran's present and anticipated income and [expenses] expense; and that the nature and condition of the property is such as to be suitable for dwelling purposes; and

(3) that the purchase price paid or to be paid by the veteran for such property or the construction cost, including the value of the unimproved lot, does not exceed the reasonable [normal] value thereof as determined by [proper] the lender's appraisal.

(b) Any application for [the guaranty of] a loan under this section for the purpose of making repairs, alterations, or improvements in, or paying delinquent indebtedness, taxes, or special assessments on residential property owned by the veteran and used by him as his home, may be approved by the [Administrator] lender if [he finds that] the proceeds of such loan will be used for such purpose or purposes.

(c) No first mortgage shall be ineligible for insurance under the National Housing Act, as amended, by reason of any loan guaranteed under this title, or by reason of any secondary lien upon the property involved securing such loan.

#### Purchase of farms and farm equipment

SEC. [502] 503. Any application made under this title for the guaranty of a loan to be used in purchasing any land, [buildings] building, livestock, equipment, machinery, or implements, or in repairing, altering, or improving any buildings or equipment, to be used in farming operations conducted by the applicant, [or to purchase stock in a co-operative association where the purchase of such stock is required by Federal statute as an incident to obtaining a loan on which a guaranty is sought,] may be approved [by the Administrator of Veterans' Affairs] if [he] the lender finds—

(1) that the proceeds of such loan will be used in payment for real or personal property purchased or to be purchased by the veteran, or for repairing, altering, or improving any buildings or equipment, to be used in bona fide farming operations conducted by him;

(2) that such property will be useful in and reasonably necessary for efficiently conducting such operations;

(3) that the ability and experience of the veteran, and [the] nature of the proposed farming operations to be conducted by him, are such that there is a reasonable likelihood that such operations will be successful; and

(4) that the purchase price paid or to be paid by the veteran for such property does not exceed the reasonable [normal] value thereof as determined by [proper] the lender's appraisal.

#### Purchase of business property

SEC. [503] 504. Any application made under this title for the guaranty of a loan to be used in purchasing any business, land, buildings, supplies, equipment, machinery, or tools, to be used by the applicant in pursuing a gainful occupation (other than farming) may be approved [by the Administrator of Veterans' Affairs] if [he] the lender finds—

(1) that the proceeds of such loan will be used for payment for real or personal property purchased or to be purchased by the veteran and used by him in the bona fide pursuit of such gainful occupation;

(2) that such property will be useful in and reasonably necessary for the efficient and successful pursuit of such occupation;

(3) that the ability and experience of the veteran, and the conditions under which he proposes to pursue such occupation, are such that there is a reasonable likelihood that he will be successful in the pursuit of such occupation; and

(4) that the purchase price paid or to be paid by the veteran for such property does not exceed the reasonable [normal] value thereof as determined by [proper] the lender's appraisal.

[SEC. 504. The Administrator of Veterans' Affairs is authorized to promulgate such rules and regulations as are deemed necessary and appropriate for carrying out the provisions of this title, and may delegate to a subordinate employee authority to approve loans subject to the provisions of this title and the rules promulgated thereunder.

[SEC. 505. (a) The Administrator 'shall designate such agency or agencies, if any, as he finds equipped to determine whether the guarantee of loan should be approved under this title. In any case wherein a principal loan, for any of the purposes stated in section 501, 502, or 503, is approved by a Federal agency to be made or guaranteed or insured by it pursuant to applicable law and regulations, and the veteran is in need of a second loan to cover the remainder of the purchase price or cost, or a part thereof, the Administrator, subject otherwise to the provisions of this title, including the limitation of \$2,000 on the total amount which may be guaranteed, may guarantee the full amount of the second loan: Provided, That such second loan shall not exceed 20 per centum of the purchase price or cost and that the rate of interest thereon shall not exceed that on the principal loan by more than 1 per centum: And provided further, That regulations to be promulgated jointly by the Administrator and the head of such agency may provide for servicing of both loans by such agency and for refinancing of the principal loan to include any unpaid portion of the secondary loan with accrued interest, if any, after the curtailment thereon equals twice the amount of the secondary loan.

[(b) Any person who is found by the Administrator of Veterans' Affairs to be a veteran eligible for the benefits of this title, as provided in section 500 hereof, and who is found by the Secretary of Agriculture, by reason of his ability and experience, including training as a vocational trainee, to be likely to carry out successfully undertakings required of him under a loan which may be

made under the Bankhead-Jones Farm Tenant Act, shall be eligible for the benefits of such Act to the same extent as if he were a farm tenant.]

Sec. 505. In the event the veteran defaults in the payment of his loan and after suit or foreclosure and sale the deficiency is determined, then upon notification from the lender, the Administrator of Veterans' Affairs shall pay to the lender its guaranty not in excess of \$2,000 and not in excess of the deficiency, and be subrogated to the rights of the lender to the extent of the amount paid on the guaranty: Provided, That prior to suit or foreclosure the lender shall notify the Administrator, and within thirty days thereafter the Administrator may, at his option, pay the lender the [unpaid balance] of the loan plus accrued interest and receive an assignment of the loan and security and thereafter sue or foreclose in the name of the Veterans' Administration.

#### TITLE VI

##### CHAPTER XV—GENERAL ADMINISTRATIVE AND PENAL PROVISIONS

Sec. 1506. (a) Before any proposed regulation or order to carry out the purposes of this Act shall be issued by any governmental agency exercising authority conferred hereunder, other than intra-agency administrative rules or orders governing the conduct of its activities or interagency rules governing relations with other agencies of the Government, a draft thereof shall be submitted to the Committee on Finance of the Senate of the United States and to the Committee on World War Veterans' Legislation of the House of Representatives[.]

[(b) The draft of such proposed regulation or order shall be immediately assigned to the Committee on Finance in the Senate and to the Committee on World War Veterans' Legislation in the House of Representatives,] for study, to consider whether such rule or regulation is made in conformity with the spirit, letter, intent, and purpose of this Act, and that no unusual or unexpected use of powers herein granted is proposed. Such regulation or order may be approved or disapproved by the Committee on Finance of the Senate or by the Committee on World War Veterans' Legislation of the House of Representatives, or a duly authorized subcommittee of either. In the absence of action by either committee approving or disapproving such regulation or order, it may go into effect not earlier than the fifteenth day following, but not including the date of the receipt of the draft of such proposed regulation or order by the chairman of such committees [President of the Senate and the Speaker of the House of Representatives]. If sooner approved by either committee it may go into effect immediately upon such approval. Disapproval of such regulation or order by either committee shall suspend its issuance: Provided, That in the event of conflicting committee actions the earlier action shall govern.

[(c)] (b) For the purposes of this section the Committee on Finance of the Senate and the Committee on World War Veterans' Legislation of the House of Representatives, or any duly authorized subcommittees thereof, are authorized to sit and act during the sessions, recesses, and adjourned periods of the Congress.

[(d)] (c) This section shall be effective from the date of its approval.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. VOORHIS of California. Mr. Speaker, reserving the right to object, the only reason I take this time is because I am inclined to think this is the only opportunity and manner in which Members will have a chance to discuss the bill. Am I correct in that?

Mr. McCORMACK. That is the hope.



Mr. VOORHIS of California. I will not disappoint the gentleman, I assure him.

Mr. McCORMACK. The gentleman never disappoints me. He is a pleasure to me.

Mr. VOORHIS of California. I thank the gentleman. I would like to ask whether I am correct in the assumption that the loans are not participating loans of the Government, but rather are straight loans made by private institutions, guaranteed 50 percent by the Government.

Mr. RANKIN. No. The Government guarantees 50 percent up to \$2,000.

Mr. VOORHIS of California. But the Government does not participate in the loan?

Mr. RANKIN. Oh, no. The Government does not participate. These are not direct Government loans, if that is what the gentleman from California means. These are loans secured from private individuals, private banks, or loaning companies.

Mr. VOORHIS of California. That was my understanding, but I just wanted to clear up what I thought might possibly have been a misunderstanding on the part of some Members.

Mr. COCHRAN. Mr. Speaker, will the gentleman yield to me?

Mr. VOORHIS of California. I yield.

Mr. COCHRAN. As I understood the gentleman from Mississippi [Mr. RANKIN] he said the bill provides for more liberal appraisal.

Mr. VOORHIS of California. That is right.

Mr. COCHRAN. What does that mean? Does that mean that we are going to let private individuals and corporations make the appraisal of property on which we are going to guarantee loans?

Mr. VOORHIS of California. I assume—and the gentleman will correct me if I am wrong—that what was meant by that was that the words "normal value" have been changed to "reasonable value" in the bill. Am I correct about that?

Mr. RANKIN. That is correct.

Mr. COCHRAN. What is the difference between the two?

Mr. VOORHIS of California. I cannot answer the gentleman precisely, but I believe "normal" value is somewhat more restricted than "reasonable" value would be.

Mr. COCHRAN. And I do not think anyone else can.

Mr. PACE. Will the gentleman yield?

Mr. VOORHIS of California. I yield to the gentleman from Georgia.

Mr. PACE. There has been a greater change than that. They not only strike out "normal value," but they eliminate Government appraisal, and leave the value entirely up to the lender's appraisal. If the lender happens to be the owner, selling the place on credit, it would appear to me that they are accepting, in that instance, the owner's own appraisal of the value of his own property. I am not so sure that we render any great service to a veteran in encouraging him to buy property beyond its real, normal value.

Mr. COCHRAN. The gentleman from Georgia is absolutely correct. I think that in making this change you take away from the veteran the protection that the Veterans' Administration has been giving him by making an appraisal of the property before the loan is approved. I had called to my attention several cases which showed that prices asked veterans for property who intended to buy because they could secure the \$2,000 loan had been inflated. In one instance property that could have been purchased 2 years ago for \$5,000 was held at \$6,500, and in another instance property that could have been purchased for \$6,000 was increased in price to \$8,500. It seems to me that the Government should protect itself and in doing so automatically protects the veteran. I agree that it might be well to have someone who lives in the vicinity where the property is located make the appraisal rather than sending a man from Washington or from some regional office but for the Government to discontinue entirely making appraisals does not seem sound to me.

Mr. PACE. There have been many instances already where veterans have been taken advantage of. They have put down the money that they happened to have, two or three thousand dollars, bought the property with the expectation of getting a loan and having it guaranteed, yet when it was appraised the appraisers found that it was nowhere near the value the veteran had promised to pay for it.

Mr. RANKIN. The very proposition the gentleman from Georgia lays down is what obtains in Georgia, Mississippi, and every other State. We find a Government man sent down there to appraise a piece of property who knows nothing about it, hampering the veterans in their efforts to consummate loans to buy land and to buy homes. The man who makes the loan is the most careful to see that his money is not lent on fictitious values.

Mr. PACE. Mr. Speaker, will the gentleman yield further?

Mr. VOORHIS of California. I yield briefly.

Mr. PACE. I call the gentleman's attention to a case of this kind which came to my attention just last week by the Governor of the Farm Credit Administration: A veteran had promised to pay \$12,000 for a farm. He had paid \$4,000 of his own money on it; then he went to get a loan and they had it appraised and an honest appraisal was that the farm was worth only \$5,000.

Mr. RANKIN. The trouble there was the veteran went and paid his money before he had the appraisal made; but in this case he has the appraisal made before he buys the land.

Mr. PACE. But the gentleman's bill reads that the value shall be determined by the lender's opinion of its value. Does not this set it up so that a man can sell a farm, making the loan, put his own value on it, and the veteran unless he is well informed on values, would have absolutely no protection of a fair and impartial appraisal?

Mr. CUNNINGHAM. Mr. Speaker, will the gentleman yield?

Mr. VOORHIS of California. I yield.

Mr. CUNNINGHAM. I wish to take the floor for a couple of minutes to answer the gentleman from Georgia. The veteran is well taken care of in the bill as it is now drawn.

I should like to go back to the original GI bill, in which a year or two ago we thought we had included provisions for the protection of the veteran, but as it turned out they were unworkable. The Veterans' Administration issued a pamphlet of 17½ printed pages touching one paragraph in title 3, the loan title. I defy anyone to understand what we put through this Congress in the light of those interpretations or rulings. Then we waited until we got reports from the field. Representatives of the veterans' organizations, of the lending organizations, of the building and loan associations, and others came before our committee and told us the difficulties they were experiencing in the operation of title 3 of that GI bill. First, we found that 90 percent of the loans being made up to date were made by building and loan associations only, whereas it was intended that the veteran could get it from the local banks and various other institutions. In addition, we found that when the veteran applies for a loan the lender makes an appraisal, for which the veteran is charged \$15, but before the loan is approved a Government appraiser, a Veterans' Administration appraiser from here in Washington, or appointed out in the field, must make another appraisal, for which the veteran is charged \$15. Now, suppose that the lender's or the bank's appraisal were \$5,000 and that was the agreed price for the purchase of the property. The banker, we will say, was going to make a loan of \$5,000, \$4,000, or whatever it might be on the basis of that appraisal. Then the Veterans' Administration appraisal is made and the value is set at only \$4,800. The whole thing was stymied. Probably 2 months' time had elapsed, and in the final analysis the veteran was unable to get a loan after waiting 2 months.

Your committee on investigation found we do not know how many, but in the thousands, employees are being hired by the Veterans' Administration to supervise and appraise these guaranteed loans. We took the position that if we would save that money, it would more than offset any loss that might occur in the guaranty by letting the veteran deal with his own banking institution in his own community.

So title III was rewritten and it fell to me to redraft that title. I do not say it is perfect in its present form but, as it is now, the lender and the veteran may enter into negotiations for a loan for any amount they agree upon. The lender's appraisal is final. There is no second appraisal. There is only one to be paid for.

In addition to that, we have set out in title III what is the significance of eligibility, namely, an honorable discharge or if it is neither honorable or dishonorable, then upon application by the veteran the Administrator of Veterans' Affairs must issue a certificate of eligibility.



The veteran goes into a bank in the district represented by the gentleman from Georgia [Mr. PACE], for instance, and the banker says: "This is a good loan. I will make it to you." He endorses on back of the honorable discharge or the certificate of eligibility the amount of the loan and the terms of it. He sends word to Washington, giving the boy's name, his serial number, the amount and terms of the loan, together with the legal description of the property. That is all. The Veterans' Administration will have to do nothing else unless it is called later on to make good.

Coming back to the question asked by the gentleman from Georgia, here is a veteran who will go to a man lending money and he will be gypped. We wrote into the bill and spelled out the banks and lending institutions that may make these loans and all of them must have been established prior to the date of the original act, with a further provision that the Veterans' Administration may approve any subsequent lending agency or person who can qualify.

It was the thought of the committee that here is a bank in the gentleman's home community, an established institution; it is not going to make a bad loan or a bad appraisal when it has 50 percent or more of its own money in the loan. Even if there were some slipped through, the ultimate cost would be much less than the amount of money now being spent with the hundreds of thousands of employees to administer this act through red tape. It was our further thought that it would be much better for the veteran and relieves these men in the Veterans' Administration who are now spending their time in red tape on the loan section of this bill to let them give their services to the rehabilitation of the injured and the sick.

Mr. RANKIN. I would like to have the gentleman complete the statement right there, and I want to call his attention to one thing to which the gentleman from Georgia referred. They seem to overlook the fact that the Veterans' Committee put in days and weeks on this proposition. I may say to the gentleman from Georgia that only 220 have been able to buy farm land under this bill. If one should unload on to a veteran some land with the understanding he is to get it back, he will be badly fooled because the Veterans' Administration can step in and be subrogated to the veteran's rights, which will keep down the thing the gentleman fears.

Mr. VOORHIS of California. May I ask the gentleman whether a fair statement in brief words of this matter would be that what is provided for is that all a man needs is an honorable discharge in order to enable him to go and negotiate with any bank that he may choose to go to on his own motion and his own responsibility for a loan for the stated purposes, and if he gets such a loan the Government will guarantee it up to \$2,000?

Mr. CUNNINGHAM. That is exactly right.

Mr. VOORHIS of California. That will liberalize and simplify the procedure. There is no doubt about that. But I think there is justification for what the

gentleman from Georgia says, nonetheless.

Mr. CUNNINGHAM. It does one thing further, because the original intent of the Congress did not work out. This is a veterans' bill and the purpose was to establish the credit of the veteran in his home community so that he would be a good risk to the bank in view of the aid that the Government was giving him in the form of a guaranty.

Mr. VOORHIS of California. The gentleman understands that I am not going to object to this bill, but on that very point the biggest problem of all has been, has it not, that the veteran who went into the service at 17, 18, 19, or 20, who now has aged 10 years in the time he has spent in service, does not have a credit rating to go to that bank with? He is the fellow that has still got to have help, and we ought not to deceive him into thinking that he will get it from this measure. That was the problem where I hoped something might be done.

Mr. CUNNINGHAM. May I answer the gentleman by saying that it was our thought that this guarantee up to \$2,000 would give to the boy who had no credit rating a credit rating. If it fails in that, then we have not made the guarantee high enough. But the other objection does not apply to that provision.

Mr. PACE. Mr. Speaker, will the gentleman yield?

Mr. VOORHIS of California. I yield to the gentleman from Georgia.

Mr. PACE. I want to get the record straight. As I understand the gentleman's interpretation, if we should have at some time a depression in land values, that the Veterans' Administration will here step in and act where the Reconstruction Finance Corporation acted before; that if any of the lending agencies have any bad loans that they have made on real estate that they can, of their own free will, without any voice from any Government agency, have a veteran to take over that farm and get a guarantee of at least \$2,000 of Government money to help bail them out. That practice will be permitted under this bill.

Mr. CUNNINGHAM. It will be, if the banks and the insurance companies and the established lending institutions want to be involved in a conspiracy to defraud and be subject to the conspiracy laws.

Mr. BROWN of Georgia. Mr. Speaker, will the gentleman yield?

Mr. VOORHIS of California. I yield to the gentleman from Georgia.

Mr. BROWN of Georgia. May I call the gentleman's attention to the fact that a local banker who has lived in the community for years and years, and has the respect of everyone, knows a great deal more about land values in that particular community than some representative from the Veterans' Administration here in Washington.

Mr. VOORHIS of California. I would agree that there is no question about that. But there are others, such as the Federal land banks, which do know about land values because that is their business.

Mr. CUNNINGHAM. Mr. Speaker, if the gentleman will yield further, I do not think I completely answered the gentleman from Georgia. In addition to that, you must not forget the fact that even if

there is a conspiracy, the bank itself has at least a 50 percent interest in these loans, and if there is a loss he is going to suffer proportionately.

Mr. VOORHIS of California. The committee has unquestionably simplified the procedure very much.

Mr. CUNNINGHAM. We hope so.

Mr. VOORHIS of California. I would personally feel that an independent appraisal, where available—and I think they are available from the Farm Credit Administration and the FHA—would have been a protection to the veteran in this matter.

Mr. CUNNINGHAM. And the moment you do that you will get into more red tape and you will hold up the veterans for 2 months or more.

Mr. VOORHIS of California. There is no question but that would sometimes be true.

Mr. PACE. Mr. Speaker, will the gentleman yield further?

Mr. VOORHIS of California. I yield to the gentleman from Georgia.

Mr. PACE. I am exceedingly anxious to make these benefits available to the veterans. I have certainly great confidence in the bankers and the insurance companies of this Nation, but I was struck with the fact that to my knowledge this is the first instance of where the Government has come in and guaranteed loans without in any way investigating the loan or the value of the property on which the loan is made.

Mr. CUNNINGHAM. That is absolutely right. We are leading up to the judgment of the good people at home.

Mr. PACE. That is so striking that I could not restrain making some comment on it.

Mr. CUNNINGHAM. I think the gentleman has some confidence in the integrity of the bankers in their own communities.

Mr. RANKIN. The very proposition that he refers to has kept the veterans from getting any loans.

Mr. CUNNINGHAM. There is one thing that I think you should have in mind. We have changed the period of time from 2 to 6 years after discharge during which the veteran can apply for a loan.

Mr. VOORHIS of California. That is most important, because otherwise he would have only the period of inflated values in which to apply for one.

Mr. CUNNINGHAM. The boy going to school, if he goes through school, would have to wait a long time, and the statute of limitations would run.

Mr. SABATH. I was one who originally opposed that these loans be made by the bankers and insisted that they should be made directly by the Government, to save the high interest rates and expenses incident in making these loans. I did so because of my experience in making investigations some years ago where by the lenders put on fictitious prices, and many of the investors and bondholders who bought these securities in good faith, thinking that the property was worth a certain amount of money, were defrauded and lost nearly everything they invested. Many of those who were defrauded were widows, and among these investors were also many estates.



I feel that in the future there should be a real restriction on the lenders' putting the price on the property, because they may do the same thing they did in various States, in my city, and all over the United States, put on excessive prices and then charge an extra commission as a result of placing that higher estimate on the value of the property. It is a dangerous thing, and I am fearful about it. I think we should have provided that the loans be made directly by the Government, eliminating the high cost of making these loans and the excessive interest.

Mr. VOORHIS of California. I agree with the gentleman's basic position. I think this group of veterans who went into the service right out of school and who have had no business record at all will probably not get very many loans unless they are direct Government loans.

Mr. SABATH. That is what should have been done in the first place.

Mr. VOORHIS of California. I think the earlier situation under the bill as we originally passed it was one so complex, with so much red tape in it, that it just did not work at all.

Mr. CUNNINGHAM. Mr. Speaker, will the gentleman yield so that I may reply to the gentleman from Illinois?

Mr. VOORHIS of California. I yield.

Mr. CUNNINGHAM. Under the rewritten title in this bill, H. R. 3749, all of the safeguards and restrictions are still there that were in the original bill except that it is left to the banker in Chicago, let us say, to put those safeguards into effect, rather than some fellow in the Veterans' Administration here in Washington.

Mr. SABATH. I do not have so much confidence in the bankers, in view of my experience.

Mr. CUNNINGHAM. They are the local bankers.

Mr. SMITH of Virginia. Mr. Speaker, will the gentleman yield?

Mr. VOORHIS of California. I yield to the gentleman from Virginia.

Mr. SMITH of Virginia. Am I not right in this, that these loans are guaranteed by the Government only to the extent of 50 percent?

Mr. RANKIN. Or up to \$2 000.

Mr. SMITH of Virginia. But only 50 percent of the amount borrowed in any event?

Mr. RANKIN. That is right.

Mr. SMITH of Virginia. The result is that the bank assumes the responsibility for the other 50 percent. I think that is a snare and a delusion as far as the veteran is concerned. From the standpoint of a practical banker, if a strange veteran walks into his bank and wants to borrow \$1,000 and says, "Uncle Sam guarantees \$500 of that," and the banker says, "Who guarantees the other \$500 and what security have you?" and the veteran says, "None at all," the banker naturally is just not going to make that loan.

Mr. RANKIN. The gentleman has not read the bill. There is no such provision as that in the bill. It is based on the property.

Mr. SMITH of Virginia. There is a joint guaranty of 50 percent of that loan?

Mr. RANKIN. Yes.

Mr. SMITH of Virginia. I think I know what I am talking about. I think I know something about the banking business and how it operates. I call this to the attention of the chairman in a purely sympathetic way. I suggest that when you go to make permanent changes in this bill you consider the method that was pursued under the Home Owners' Loan Act, where the Government guaranteed a certain percentage of the total loans that the bank made. The bank could then set up a reserve for its losses and absorb the losses on the whole instead of having to take the losses on each separate loan. The experience of the bankers was that the Government lost very little money on that, and the bankers operated under it not only profitably but willingly and gladly. Under this proposition, however, if the bank has to assume half the liability of losses on these loans to veterans that have no financial credit, I am very much afraid that the veterans are going to be terribly disappointed, because loans will not be made, and the whole bill will be a snare and a delusion as far as making loans to veterans is concerned.

Mr. FOLGER. Mr. Speaker, will the gentleman yield?

Mr. VOORHIS of California. I yield to the gentleman from North Carolina.

Mr. FOLGER. I call attention to the fact that while we have all confidence in our local banks, this permits almost anybody to lend to the veterans.

Mr. VOORHIS of California. I understood not.

Mr. FOLGER. The bill reads as follows:

Loans may be made by any Federal Reserve bank, national bank, State bank, private bank, building and loan association, insurance company, or mortgage and loan company established prior to the date of this act, and any other lending institution or any person approved by the Administrator.

I do not know how that could be broader.

Mr. VOORHIS of California. May I ask the chairman if he will explain what the relationship is between the language the gentleman from North Carolina has just read and the committee amendment which immediately follows it, on page 22 and the top of page 23?

Mr. RANKIN. May I say to the gentleman from North Carolina that we are not taking the position that these veterans do not know their way around. What we are trying to do is help the veteran to help himself.

Now what is the gentleman's question?

Mr. VOORHIS of California. The question is, what is the relationship between this language in lines 19 to 24 on page 22, which the gentleman from North Carolina has just read, and subparagraph (b), which is apparently a committee amendment?

Mr. RANKIN. That is the national banks. I will say to the gentleman that the national banks came to us and said they were precluded from making these loans. Therefore, we adopted this amendment to put them on a parity with State banks, so far as making these loans is concerned.

Mr. VOORHIS of California. Is it correct that other lending institutions have to be approved by the Administrator of Veterans' Affairs?

Mr. CUNNINGHAM. Mr. Speaker, will the gentleman yield?

Mr. VOORHIS of California. I yield.

Mr. CUNNINGHAM. It was the understanding, and the committee was advised by people who had been before it, that paragraph (b), commencing at the bottom of page 22 and carrying over to page 23, would put national banks and other lending institutions on a par with the building and loan associations as to the amount which could be loaned on the appraised value.

Mr. VOORHIS of California. I see.

Mr. CUNNINGHAM. There is a disparity at the present time. The building and loan associations can lend up to about 90 percent, whereas a national bank can lend only about 60 percent. This brings it up on a parity. At least that is what we were advised this would do.

Mr. THOMASON. Mr. Speaker, will the gentleman yield?

Mr. VOORHIS of California. I yield to the gentleman from Texas.

Mr. THOMASON. What changes, if any, have been made with regard to veterans who may want to go to school?

Mr. VOORHIS of California. That is a point about which I wanted to ask a question myself.

Mr. THOMASON. There are many of us who have had no opportunity to read and study this bill.

Mr. RANKIN. I will explain that to the gentleman.

Mr. THOMASON. I should like to know exactly what it does for all these young veterans who want to go to college.

Mr. RANKIN. When the gentleman from California [Mr. VOORHIS] gets through, if the gentleman from Texas wishes to interrogate me, I shall be glad to answer that question.

Mr. VOORHIS of California. I will be glad to yield to the gentleman for that purpose.

Mr. RANKIN. Let us get through with what you are on now.

Mr. VOORHIS of California. I would like to ask one question, myself.

Mr. McCORMACK. Of course, the gentleman from California is pursuing a most unusual procedure under a unanimous-consent request and under a reservation of right to object in controlling all the time in this manner and yielding to the several gentlemen. Any one of the Members can reserve the right to object.

Mr. RANKIN. Furthermore, the gentleman is thereby controlling debate on the matter.

Mr. McCORMACK. I think the Member ought to exercise the right, under a reservation of objection in his own right, and let other Members exercise that privilege in their own individual right.

Mr. VOORHIS of California. I will be glad to do that right now. I hoped that possibly I was helping to expedite this discussion. Certainly I have not personally taken much of the time. There is just one more question I would like to ask, whether the committee gave consideration or not, as to the veterans who



were over 25 years of age when they went into the service, who were not in school at the time but who, due to their experience in the service, may have found there was a particular profession or vocation which they would like to pursue and would therefore like to go ahead with their education. I am afraid that the 25-year age limitation will preclude that possibility.

Mr. RANKIN. No, sir. The gentleman entirely misunderstands the 25-year age limitation. There has been a great barrage of misunderstanding and it has been preached in every Army camp by men who did not understand it themselves. Here is what happened with reference to that provision. These men are not denied loans because they are over 25 years of age.

Mr. VOORHIS of California. No, I know that.

Mr. RANKIN. They are permitted to finish school.

Mr. VOORHIS. I know that.

Mr. RANKIN. But with reference to the man who was not over 25 years of age when he entered the service, we wrote into the law that he was presumed not to have finished his education. That is the only difference.

Mr. VOORHIS of California. That is with reference to the men under 25 years of age.

Mr. RANKIN. Yes.

Mr. VOORHIS of California. The group I am worried about are those over 25 years of age.

Mr. RANKIN. They are not discriminated against. They come in and secure loans for that purpose, if they had not finished their education.

Mr. VOORHIS of California. That is right.

Mr. RANKIN. Yes.

Mr. VOORHIS of California. But if they were not in school at the time and if they now want to return to school, then, as I understand it, the provision would not be applicable. Is that correct?

Mr. CUNNINGHAM. Mr. Speaker, will the gentleman yield?

Mr. VOORHIS of California. I yield.

Mr. CUNNINGHAM. When we wrote into the bill the 25-years-of-age provision, you will notice we said if the veteran was not over 25 years of age on the day he was inducted into the service.

Mr. RANKIN. That was in the old bill.

Mr. CUNNINGHAM. That would mean they would be 28 or 29 years of age, on the average, when they are discharged. We thought that was high enough to go. Now it is presumed that a man's education was interrupted. He does not need to furnish any proof at all to get the benefits he is entitled to under the GI bill. However, if he was over 25 on the day he went into the service, he is still entitled to all the benefits under the bill, provided he makes an affidavit or furnishes proof that his education was interrupted, interfered with, or impeded by his induction into the service. I understand from General Hines that they accept the veteran's affidavit on that point.

Mr. VOORHIS of California. Is that new in this draft of the bill or was that in the original bill?

Mr. CUNNINGHAM. It is just the same as the original bill. The only difference is in the amount of subsistence allowance.

Mr. VOORHIS of California. Mr. Speaker, I withdraw my reservation of objection.

Mr. HOOK. Mr. Speaker, reserving the right to object, I want to ask one question with regard to the loans. That is, as to whether or not this loan applies, for instance, to a veteran who has been admitted to practice law or medicine before he went into the service. Then he comes back from the service and he wants to make a loan for the purpose of establishing an office to get started in the practice of his profession again. Does this loan apply to that sort of individual?

Mr. RANKIN. I yield to the gentleman from Iowa [Mr. CUNNINGHAM].

Mr. CUNNINGHAM. As I understand the gentleman's question, can a lawyer, for instance, who comes back and wants to buy some law books and office equipment and establish himself in business, secure a loan for that purpose?

Mr. HOOK. Yes; any profession.

Mr. CUNNINGHAM. I am inclined to think he can, under the business section of this bill, if the lender feels it is reasonable for him to go ahead.

Mr. HOOK. I had understood the Veterans' Administration has heretofore ruled that he was not eligible for a loan for that purpose.

Mr. CUNNINGHAM. Of course, as we have written the bill now it is not up to the Administration to determine that. I think he could get it.

Mr. RANKIN. That is my understanding. That is referred to on page 25 of the bill.

Mrs. ROGERS of Massachusetts. Will the gentleman yield?

Mr. HOOK. I yield.

Mrs. ROGERS of Massachusetts. There is also a very good provision in the bill which provides that the Veterans' Administration, before deciding on its rules and regulations, shall submit them either to the House or the Senate. So I think from now on the Veterans' Administration will interpret the law as we expect to have it interpreted.

Mr. HOOK. Mr. Speaker, I withdraw my reservation of objection.

Mr. McCORMACK. So that the Record will show what the intent of the committee was, which is an important matter, I take it it is the intent of the committee that such case should be covered by the provisions of this law.

Mr. CUNNINGHAM. Yes. It was our original intention, but it was not so interpreted by the Veterans' Administration.

Mr. LYLE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record on this legislation.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. LYLE. Mr. Speaker, I am deeply conscious of the difficulties of writing legislation of this nature. So much—perhaps too much, has been said and promised, in the hysteria of war, during

the heat of battle, and in the enthusiasm of a grateful people anxious to encourage and soothe the battle-weary, that it is now more difficult to solve. So much, indeed, that most of us returned only to be disillusioned.

What do we seek to accomplish by this legislation? What manner of man is a veteran, and what is his relationship to government?

I address myself to this subject knowing full well that I do so with heart, mind, and emotions prejudiced in favor of those who have served in our armed forces, and with a deep and personal sense of affection and gratitude for all of them.

We cannot intelligently discuss what the Government owes to those who have served, for there is no criterion or measuring stick that can adequately measure obligations and debts so great and immeasurable. Nor can we discuss what we will give them, for we have no gifts worthy of the occasion, nor is it ours to give, for they and each of them have earned—not a part but the whole—the whole of a full, free, and fruitful life as Americans. It is not an emotional problem, nor a political problem, nor are we dealing with a strange manner of man.

Who is the veteran? He is America today and tomorrow. He is the boy who played end last year on the football team, the doctor who guided you back to health. He is the boy who delivered your papers, sold you clothes, insurance, the girl who taught school, worked in your office, the farm boy, rancher, grocery clerk, the mechanic. He is laborer, student, business, and professional man. He is America—typical American, imbued with a deep sense of love for freedom, decency, and the dignity of the individual.

The veteran is the average American who, through no fault of his own, has been taken from the normal pursuits of freemen to the far corners of the world to help stamp out and obliterate from the face of the earth men who have become beasts through acceptance and practice of philosophies inconsistent with the survival of decent civilization. Because he is normal he is tired and weary of war, of battle, of killing, of all the nastiness and ugliness of war. He is weary of separation from loved ones. He wants a normal American life.

What does the veteran expect of Congress? I am satisfied he does not want special privilege, nor does he want any gifts, easy jobs, or a soft spot in which to spend the remaining part of his life. The veteran is a normal American asking only for a peaceful world and opportunity—opportunity to step back into his place in a free and decent world, where individual initiative, effort, and ambition permit him climb as high as his ambitions, ability, and good fortune warrant. And Congress can do nothing for him except to clear the path and to write in indelible language his right to enjoy the fruits of his labors—opportunity in a free America.

Do we seek to accomplish this in this legislation? I think so. However, I regret to say I do not believe we have the answer. We must pass this, of course, but we must not believe it relieves us



of our great obligation. If our Government is to share its credit with veterans, then it must do so in a manner fully capable of meeting the credit demands of a man converting from the role of a soldier to home owner, businessman, or farmer-rancher.

We can and will intelligently solve this problem, for less is unworthy of the service of our millions of men and women.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. RIVERS. Mr. Speaker, reserving the right to object, does the interpretation placed by the gentleman from Iowa apply to all professions?

Mr. CUNNINGHAM. Yes.

Mr. RIVERS. I think we should have that definitely covered in the bill, in order to show those who will interpret the administration of this law just what is meant. As the gentleman says, the intent of the committee was to apply to all professions alike, and to all businesses.

Mr. RANKIN. I will read the provision of the bill to the gentleman:

SEC. 504. Any application made under this title for the guaranty of a loan to be used in purchasing any business, land, building, supplies, equipment, machinery, or tools, to be used by the applicant in pursuing a gainful occupation (other than farming) may be approved if the lender finds—

And so on.

Mr. RIVERS. That includes all professions as well as businesses, enunciated in the bill?

Mr. RANKIN. Yes, sir.

Mr. McCORMACK. The reason I asked the question was to put that in the RECORD. I recognize that the words "gainful occupation" may not be construed as a profession. But yet that matter can be considered when the bill goes to the Senate. I am sure the gentleman from Mississippi will have that in mind.

Mr. RANKIN. What is that?

Mr. McCORMACK. When the bill goes to the Senate, if, in addition to "gainful occupation," the words "or profession" should be included, the gentleman will have that in mind?

Mr. RANKIN. Why, certainly. However, there is no necessity for it. It is included in the bill right now.

Mr. HENDRICKS. Mr. Speaker, I wanted to ask the gentleman from Iowa [Mr. CUNNINGHAM] one question. He said that if a man's education were interrupted of course he could go on to school. Is there not a provision that even though he is not in school or his education is not interrupted, yet under certain circumstances it is assumed that it was interrupted?

Mr. CUNNINGHAM. Yes; if he is not over 25 he is entitled to education regardless of whether it was interrupted or not.

Mrs. ROGERS of Massachusetts. And if over 25 he is entitled to education if his schooling actually was interrupted.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. FOLGER. Mr. Speaker, reserving the right to object, I wish to ask the gentleman from Iowa a question: In section 501, on page 22, there is the language:

No approval of the loan shall be required from the Administrator.

And that is followed by a period.

Loans may be made by any Federal Reserve bank \* \* \* or mortgage and loan company established prior to the date of this act.

Mr. CUNNINGHAM. That is right.

Mr. FOLGER. Suppose some veterans come back and themselves want to help their fellow veterans; they have some money and they want to form a mortgage and loan company to help them. Could they do it?

Mr. CUNNINGHAM. They would have to go to the Veterans' Administration and get approval of their institution.

Mr. FOLGER. No; there is a comma after the word "or."

Mr. CUNNINGHAM. Provision is made for them to get approval.

Mr. FOLGER. But there is a comma after the word "or" and it does not apply to them. "And any other lending institution or person approved by the Administrator." I am suggesting that you ought to give that right to these men if they come back and want to form a mortgage and loan company without having to get the approval of the Administrator. Since this is not required of mortgage or loan companies already operating.

Mr. CUNNINGHAM. That is a good point; but let me give you the history of it and then you will understand what happened. I want to say to the membership that a year ago as we passed the bill in the House it was substantially as it is now; that is, it did not require any approval of the Veterans' Administrator. When we got into conference one of the members of the conference committee from the other body wanted to know why it was and said that under that there would be organized in Brooklyn lending associations to meet the boys at the boat. Well, we sort of laughed it off and we took their version.

In the bill as rewritten the gentleman will find we included a provision to the effect that they are not eligible for loans until 30 days after discharge. We have endeavored to get the boys discharged and back to their home communities. We want these things handled in their home communities where it is possible. That was the opinion of the committee. If the comma changes the intent of the committee we will have to change the comma, but I do not believe it does. Any of these boys could form lending associations by getting the approval of the Veterans' Administrator; that is all that is required.

Mr. FOLGER. But we should make it certain that they have that absolute right, and do not have to get anybody's approval.

Mr. CUNNINGHAM. The purpose was to prevent the fly-by-night racketeer from springing up to take advantage of the veterans. Probably in trying to protect the veteran we did him an injustice.

Mr. RANKIN. The fly-by-night racketeer the gentleman refers to is the very thing we were trying to protect the veteran against.

Mr. FOLGER. But you help him with one hand and slap him in the face with the other.

Mr. RANKIN. We did the best we could.

Miss SUMNER of Illinois. Mr. Speaker, reserving the right to object, I just wondered why at this place where you talked about their having to get the approval of the Administrator why you do not fix it up now, why you wait to get in conference before you fix it.

Mr. RANKIN. What page is the lady talking about?

Miss SUMNER of Illinois. Page 22.

Mr. RANKIN. Where?

Miss SUMNER of Illinois. Page 22, where it says "approved by the Administrator."

Mr. RANKIN. What line?

Miss SUMNER of Illinois. Line 24—so that in the event that the institution does take advantage of the discharged soldier that the approval of the Administrator could be withdrawn.

Mr. RANKIN. That follows at any rate.

Miss SUMNER of Illinois. I do not think it is the way it has been changed.

Mr. RANKIN. Certainly; the Administrator has to approve these new enterprises, and ought to.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc., That Public Law 346, Seventy-eighth Congress, be amended to read as follows:*

That this act may be cited as the "Service-men's Readjustment Act of 1945."

#### TITLE I

##### CHAPTER I—HOSPITALIZATION, CLAIMS, AND PROCEDURES

SEC. 100. The Veterans' Administration is hereby declared to be an essential war agency and entitled, second only to the War and Navy Departments, to priorities in personnel, equipment, supplies, and material under any laws, Executive orders, and regulations pertaining to priorities, and in appointments of personnel from civil-service registers the Administrator of Veterans' Affairs is hereby granted the same authority and discretion as the War and Navy Departments and the United States Public Health Service: *Provided*, That the provisions of this section as to priorities for materials shall apply to any State institution to be built for the care or hospitalization of veterans.

SEC. 101. The Administrator of Veterans' Affairs and the Federal Board of Hospitalization are hereby authorized and directed to expedite and complete the construction of additional hospital facilities for war veterans, and to enter into agreements and contracts for the use by or transfer to the Veterans' Administration of suitable Army and Navy hospitals after termination of hostilities in the present war or after such institutions are no longer needed by the armed services; and the Administrator of Veterans' Affairs is hereby authorized and directed to establish necessary regional offices, suboffices, branch offices, contact units, or other subordinate offices in centers of population where there is no Veterans' Administration facility, or where such a facility is not readily available or accessible: *Provided*, That there is hereby authorized to be appropriated the sum of \$500,000,000 for the construction of additional hospital facilities.

SEC. 102. The Administrator of Veterans' Affairs and the Secretary of War and Secretary of the Navy are hereby granted authority to enter into agreements and contracts for the mutual use or exchange of use of hospital and domiciliary facilities, and such supplies, equipment, and material as may be needed to operate properly such facilities, or for the transfer, without reimbursement of appropriations, of facilities, supplies, equip-



ment, or material necessary and proper for authorized care for veterans, except that at no time shall the Administrator of Veterans' Affairs enter into any agreement which will result in a permanent reduction of Veterans' Administration hospital and domiciliary beds below the number now established or approved, plus the estimated number required to meet the load of eligibles under laws administered by the Veterans' Administration, or in any way subordinate or transfer the operation of the Veterans' Administration to any other agency of the Government.

Nothing in the Selective Training and Service Act of 1940, as amended, or any other Act, shall be construed to prevent the transfer or detail of any commissioned, appointed or enlisted personnel from the armed forces to the Veterans' Administration subject to agreements between the Secretary of War or the Secretary of the Navy and the Administrator of Veterans' Affairs: *Provided*, That no such detail shall be made or extend beyond 6 months after the termination of the war.

SEC. 103. The Administrator of Veterans' Affairs shall have authority to place officials and employees designated by him in such Army and Navy installations as may be deemed advisable for the purpose of adjudicating disability claims of, and giving aid and advice to, members of the Army and Navy who are about to be discharged or released from active service.

SEC. 104. No person shall be discharged or released from active duty in the armed forces until his certificate of discharge or release from active duty and final pay, or a substantial portion thereof, are ready for delivery to him or to his next of kin or legal representative; and no person shall be discharged or released from active service on account of disability until and unless he has executed a claim for compensation, pension, or hospitalization, to be filed with the Veterans' Administration or has signed a statement that he has had explained to him the right to file such claim: *Provided*, That this section shall not preclude immediate transfer to a veterans' facility for necessary hospital care, nor preclude the discharge of any person who refuses to sign such claim or statement: *And provided further*, That refusal or failure to file a claim shall be without prejudice to any right the veteran may subsequently assert.

Any veteran entitled to a prosthetic appliance shall be furnished such fitting and training, including institutional training in the use of such appliance as may be necessary, whether in a Veterans' Administration facility, other training institution, or by outpatient treatment, including such service under contract and including necessary travel expenses to and from their homes to such hospital or training institution.

The Administrator of Veterans' Affairs may procure any and all items mentioned herein, including necessary services required in the fitting, supplying, and training in use of such items by purchase, manufacture, contract, or in such other manner as the Administrator may determine to be proper without regard to any other provision of law.

SEC. 105. No person in the armed forces shall be required to sign a statement of any nature relating to the origin, incurrence, or aggravation of any disease or injury he may have, and any such statement against his own interest signed at any time, shall be null and void and of no force and effect.

#### CHAPTER II—AID BY VETERANS' ORGANIZATIONS

SEC. 200. (a) That upon certification to the Secretary of War or Secretary of the Navy by the Administrator of Veterans' Affairs of paid full-time accredited representatives of the veterans' organizations specified in section 200 of the act of June 29, 1936 (Public Law No. 844, 74th Cong.), and other such national organizations recognized by the Administrator of Veterans' Affairs thereunder in the presentation of claims under laws administered by the Veterans' Administration, the

Secretary of War and Secretary of the Navy are hereby authorized and directed to permit the functioning, in accordance with regulations prescribed pursuant to subsection (b) of this section, of such accredited representatives in military or naval installations on shore from which persons are discharged or released from the active military or naval service: *Provided*, That nothing in this section shall operate to affect measures of military security now in effect or which may hereafter be placed in effect, nor to prejudice the right of the American Red Cross to recognition under existing statutes.

(b) The necessary regulations shall be promulgated by the Secretary of War and the Secretary of the Navy jointly with the Administrator of Veterans' Affairs to accomplish the purpose of this section, and in the preparation of such regulations the national officer of each of such veterans' organizations who is responsible for claims and rehabilitation activities shall be consulted. The commanding officer of each such military or naval installation shall cooperate fully with such authorized representatives in the providing of available space and equipment for such representatives.

#### CHAPTER III—REVIEWING AUTHORITY

SEC. 300. The discharge or dismissal by reason of the sentence of a general court martial of any person from the military or naval forces, or the discharge of any such person on the ground that he was a conscientious objector who refused to perform military duty or refused to wear the uniform or otherwise to comply with lawful orders of competent military authority, or as a deserter, or of an officer by the acceptance of his resignation for the good of the service, shall bar all rights of such person, based upon the period of service from which he is so discharged or dismissed, under any laws administered by the Veterans' Administration: *Provided*, That in the case of any such person, if it be established to the satisfaction of the Administrator that at the time of the commission of the offense such person was insane, he shall not be precluded from benefits to which he is otherwise entitled under the laws administered by the Veterans' Administration: *And provided further*, That this section shall not apply to any war risk, Government (converted), or national service life-insurance policy.

SEC. 301. The Secretary of War and the Secretary of the Navy, after conference with the Administrator of Veterans' Affairs, are authorized and directed to establish in the War and Navy Departments, respectively, boards of review composed of five members each, whose duties shall be to review, on their own motion or upon the request of a former officer or enlisted man or woman or, if deceased, by the surviving spouse, next of kin, or legal representative, the type and nature of his discharge or dismissal, except a discharge or dismissal by reason of the sentence of a general court martial. Such review shall be based upon all available records of the service department relating to the person requesting such review, and such other evidence as may be presented by such person. Witnesses shall be permitted to present testimony either in person or by affidavit and the person requesting review shall be allowed to appear before such board in person or by counsel: *Provided*, That the term "counsel" as used in this section shall be construed to include, among others, accredited representatives of veterans' organizations recognized by the Veterans' Administration under section 200 of the act of June 29, 1936 (Public Law, No. 844, Seventy-fourth Congress). Such board shall have authority, except in the case of a discharge or dismissal by reason of the sentence of a general court martial, to change, correct, or modify any discharge or dismissal, and to issue a new discharge in accord with the facts presented to the board. The

Articles of War and the Articles for the Government of the Navy are hereby amended to authorize the Secretary of War and the Secretary of the Navy to establish such boards of review, the findings thereof to be final subject only to review by the Secretary of War or the Secretary of the Navy, respectively: *Provided*, That no request for review by such board of a discharge or dismissal under the provisions of this section shall be valid unless filed within 15 years after such discharge or dismissal or within 15 years after the effective date of this act whichever be the later.

SEC. 302. (a) The Secretary of War, the Secretary of the Navy, and the Secretary of the Treasury are authorized and directed to establish, from time to time, boards of review composed of five commissioned officers, two of whom shall be selected from the Medical Corps of the Army or Navy, or from the Public Health Service, as the case may be. It shall be the duty of any such board to review, at the request of any officer retired or released to inactive service, without pay, for physical disability pursuant to the decision of a retiring board or board of medical survey, the findings and decision of such retiring board or board of medical survey. Such review shall be based upon all available service records relating to the officers requesting such review, and such other evidence as may be presented by such officer. Witnesses shall be permitted to present testimony either in person or by affidavit, and the officer requesting review shall be allowed to appear before such board of review in person or by counsel. In carrying out its duties under this section such board of review shall have the same powers as exercised by, or vested in, the retiring board whose findings and decision are being reviewed. The proceedings and decision of each such board of review affirming or reversing the decision of the retiring board shall be transmitted to the Secretary of War, the Secretary of the Navy, or the Secretary of the Treasury, as the case may be, and shall be laid by him before the President for his approval or disapproval and orders in the case.

(b) No request for review under this section shall be valid unless filed within 15 years after the date of retirement for disability or after the effective date of this act, whichever is the later.

(c) As used in this section—

(1) the term "officer" means any officer subject to the laws granting retirement for active service in the Army, Navy, Marine Corps, or Coast Guard, or any of their respective components;

(2) the term "counsel" shall have the same meaning as when used in section 301 of this act.

#### TITLE II

##### CHAPTER IV—EDUCATION OF VETERANS

SEC. 400. (a) Subsection (f) of section 1, title I, Public Law Numbered 2, Seventy-third Congress, added by the Act of March 24, 1943 (Public Law Numbered 16, Seventy-eighth Congress), is hereby amended to read as follows:

"(f) Any person who served in the active military or naval forces on or after September 16, 1940, and prior to the termination of hostilities in the present war, shall be entitled to vocational rehabilitation subject to the provisions and limitations of Veterans Regulation Numbered 1 (a), as amended, part VII, or to education or training subject to the provisions and limitations of part VIII."

(b) Veterans Regulation Numbered 1 (a), is hereby amended by adding a new part VIII, as follows:

##### "PART VIII

"1. Any person who served in the active military or naval service on or after September 16, 1940, and prior to the termination of the present war, and who shall have



been discharged or released therefrom under conditions other than dishonorable, and whose education or training was impeded, delayed, interrupted, or interfered with by reason of his entrance into the service, or who desires a refresher or retraining course, and who either shall have served 90 days or more, exclusive of any period he was assigned for a course of education or training under the Army specialized training program or the Navy college training program, which course was a continuation of his civilian course and was pursued to completion, or as a cadet or midshipman at one of the service academies, or shall have been discharged or released from active service by reason of an actual service-incurred injury or disability, shall be eligible for and entitled to receive education or training under this part: *Provided*, That such course shall be initiated not later than 4 years after either the date of his discharge or the termination of the present war, whichever is the later: *Provided further*, That no such education or training shall be afforded beyond 9 years after the termination of the present war: *And provided further*, That any such person who was not over 25 years of age at the time he entered the service shall be deemed to have had his education or training impeded, delayed, interrupted, or interfered with.

"2. Any such eligible person shall be entitled to education or training, or a refresher or retaining course, at an approved educational or training institution, for a period of 1 year (or the equivalent thereof in continuous part-time study), or for such lesser time as may be required for the course of instruction chosen by him. Upon satisfactory completion of such course of education or training, according to the regularly prescribed standards and practices of the institutions, except a refresher or retraining course, such person shall be entitled to an additional period or periods of education or training, not to exceed the time such person was in the active service on or after September 16, 1940, and before the termination of the war, exclusive of any period he was assigned for a course of education or training under the Army specialized training program or the Navy college training program, which course was a continuation of his civilian course and was pursued to completion, or as a cadet or midshipman at one of the service academies, but in no event shall the total period of education or training exceed 4 years: *Provided*, That his work continues to be satisfactory throughout the period, according to the regularly prescribed standards and practices of the institution: *Provided, however*, That wherever the additional period of instruction ends during a quarter or semester and after a major part of such quarter or semester has expired, such period of instruction shall be extended to the termination of such unexpired quarter or semester.

"3. (a) Such person shall be eligible for and entitled to such course of education or training as he may elect, and at any approved educational or training institution at which he chooses to enroll, whether or not located in the State in which he resides, which will accept or retain him as a student or trainee in any field or branch of knowledge which such institution finds him qualified to undertake or pursue: *Provided*, That, for reasons satisfactory to the Administrator, he may change a course of instruction: *And provided further*, That any such course of education or training may be discontinued at any time, if it is found by the Administrator that, according to the regularly prescribed standards and practices of the institution, the conduct or progress of such person is unsatisfactory.

"(b) Any such eligible person may apply for a short, intensive, postgraduate or vocational training course of less than 30 weeks: *Provided*, That the Administrator shall have

the authority to contract with approved institutions for such courses if he finds that the agreed cost of such courses is reasonable and fair: *Provided further*, That the limitation of paragraph 5 shall not prevent the payment of such agreed rates, but there shall be charged against the veteran's period of eligibility the proportion of an ordinary school year which the cost of the course bears to \$500.

"4. From time to time the Administrator shall secure from the appropriate agency of each State a list of the educational and training institutions (including industrial establishments), within such jurisdiction, which are qualified and equipped to furnish education or training (including apprenticeship and refresher or retaining training), which institutions, together with such additional ones as may be recognized and approved by the Administrator, shall be deemed qualified and approved to furnish education or training to such persons as shall enroll under this part: *Provided*, That wherever there are established State apprenticeship agencies expressly charged by State laws to administer apprentice training, whenever possible, the Administrator shall utilize such existing facilities and services in training on the job when such training is of 1 year's duration or more.

"5. The Administrator shall pay to the educational or training institution, for each person enrolled in full time, part time, or correspondence course of education or training, the customary cost of tuition, and such laboratory, library, health, infirmary, and other similar fees as are customarily charged, and may pay for books, supplies, equipment, and other necessary expenses, exclusive of board, lodging, other living expenses, and travel, as are generally required for the successful pursuit and completion of the course by other students in the institution: *Provided*, That in no event shall such payments, with respect to any person, exceed \$500 for an ordinary school year: *Provided further*, That no payments shall be made to institutions, business or other establishments furnishing apprentice training on the job: *And provided further*, That if any such institution has no established tuition fee, or if its established tuition fee shall be found by the Administrator to be inadequate compensation to such institution for furnishing such education or training, he is authorized to provide for the payment, with respect to any such person, of such fair and reasonable compensation as will not exceed \$500 for an ordinary school year.

"6. While enrolled in and pursuing a course other than a course in a correspondence school under this part, such person, upon application to the Administrator, shall be paid a subsistence allowance of \$60 per month, if without a dependent or dependents, or \$85 per month, if he has a dependent or dependents, including regular holidays and leave not exceeding 30 days in a calendar year. Such person attending a course on a part-time basis, and such person receiving compensation for productive labor performed as part of their apprentice or other training on the job at institutions, business, or other establishment, shall be entitled to receive such lesser sums, if any, as subsistence or dependency allowances as may be determined by the Administrator: *Provided*, That any such person eligible under this part, and within the limitations thereof, may pursue such full-time or part-time course or courses as he may elect, without subsistence allowance.

"7. Any such person eligible for the benefits of this part, who is also eligible for the benefit of part VII, may elect which benefit he desires: *Provided*, That, in the event of such election, subsistence allowance hereunder shall not exceed the amount of ad-

ditional pension payable for training under said part VII.

"8. No department, agency, or officer of the United States, in carrying out the provisions of this part, shall exercise any supervision or control, whatsoever, over any State educational agency, or State apprenticeship agency, or any educational or training institution: *Provided*, That nothing in this section shall be deemed to prevent any department, agency, or officer of the United States from exercising any supervision or control which such department, agency, or officer is authorized, by existing provisions of law, to exercise over any Federal educational or training institution, or to prevent the furnishing of education or training under this part in any institution over which supervision or control is exercised by such other department, agency, or officer under authority of existing provisions of law.

"9. The Administrator of Veterans' Affairs is authorized and empowered to administer this title, and, insofar as he deems practicable, shall utilize existing facilities and services of Federal and State departments and agencies on the basis of mutual agreements with them. Consistent with and subject to the provisions and limitations set forth in this title, the Administrator shall, from time to time, prescribe and promulgate such rules and regulations as may be necessary to carry out its purposes and provisions.

"10. The Administrator may arrange for educational and vocational guidance to persons eligible for education and training under this part. At such intervals as he deems necessary, he shall make available information respecting the need for general education and for training personnel in the various crafts, trades, and professions: *Provided*, That facilities of other Federal agencies collecting such information shall be utilized to the extent he deems practicable.

"11. As used in this part, the term 'educational or training institutions' shall include all public or private elementary, secondary, and other schools furnishing education for adults, business schools and colleges, correspondence schools, scientific and technical institutions, colleges, vocational schools, junior colleges, teachers colleges, normal schools, professional schools, universities, and other educational institutions, and shall also include business or other establishments providing apprentice or other training on the job, including those under the supervision of an approved college or university or any State department of education, or any State apprenticeship agency or State board of vocational education, or any State apprenticeship council or the Federal Apprenticeship Training Service established in accordance with Public, No. 308, Seventy-fifth Congress, or any agency in the executive branch of the Federal Government authorized under other laws to supervise such training.

"12. The Government shall pay for these correspondence courses quarterly as the course is completed.

"13. No correspondence school shall be approved unless it was in existence prior to the date of this act.

SEC. 401. Section 3, Public Law No. 16, Seventy-eighth Congress, is hereby amended to read as follows:

"Sec. 3. The appropriation for the Veterans' Administration, 'Salaries and expenses, medical and hospital, and compensation and pensions,' shall be available for necessary expenses under part VII, as amended, or part VIII of Veterans Regulation No. 1 (a), and there is hereby authorized to be appropriated such additional amount or amounts as may be necessary to accomplish the purposes thereof. Such expenses may include, subject to regulations issued by the Administrator and in addition to medical care, treat-



ment, hospitalization, and prosthesis, otherwise authorized, such care, treatment, and supplies as may be necessary to accomplish the purposes of part VII, as amended, or part VIII of Veterans Regulation No. 1 (a).

SEC. 402. Public Law No. 16, Seventy-eighth Congress, is hereby amended by adding thereto a new section 4 to read as follows:

"Sec. 4. Any books, supplies, or equipment furnished a trainee or student under part VII or part VIII of Veterans Regulation No. 1 (a) shall be deemed released to him: *Provided*, That if he fail, because of fault on his part to complete the course of training or education afforded thereunder, he may be required, in the discretion of the Administrator, to return any or all of such books, supplies, or equipment not actually expended or to repay the reasonable value thereof."

SEC. 403. Paragraph 1, part VII, Veterans Regulation No. 1 (a) (Public Law No. 16, 78th Cong.), is hereby amended by inserting after the word "time" the words "on or" and deleting the date "December 6, 1941" and substituting therefor the date "September 16, 1940."

### TITLE III—LOANS FOR THE PURCHASE OR CONSTRUCTION OF HOMES, FARMS, AND BUSINESS PROPERTY

#### CHAPTER V—GENERAL PROVISIONS FOR LOANS

SEC. 500. (a) Any person who shall have served in active military or naval service of the United States at any time on or after September 16, 1940, and prior to the termination of the present war, and who shall have been discharged or released therefrom under conditions other than dishonorable after active service of 90 days or more, or by reason of an injury or disability incurred in service in line of duty, shall be eligible for benefits of this title. Any such veteran may apply within 6 years after separation from the military or naval forces, or 6 years after termination of the war, whichever is the later date, but in no event more than 8 years after the termination of the war, to any of the established lending agencies hereinafter set forth for a loan for the purposes set forth in the title in any amount that may be agreed upon between the lender and the veteran, and when such a loan is made by the lender the lender is automatically guaranteed 50 percent of the loan by the Administrator of Veterans' Affairs and this act is the guaranty: *Provided*, That the aggregate amount guaranteed shall not exceed \$2,000: *Provided further*, That no loan shall be negotiated until 30 days after the date of veteran's discharge.

(b) Interest for the first year on that part of the loan guaranteed shall be paid by the Administrator out of available appropriations.

(c) The liability under the guaranty, within the limitations of this title, shall decrease or increase pro rata with any decrease or increase of the amount of the unpaid portion of the obligation: *Provided*, That loans guaranteed shall bear interest at a rate not exceeding 4 percent per annum and shall be payable in full in not more than 20 years.

#### Certificate of eligibility

SEC. 501. An honorable discharge shall be the veteran's certificate of eligibility to apply for a guaranteed loan. All veterans who have a discharge other than honorable or dishonorable shall receive from the Administrator upon request after discharge a certificate of eligibility. Upon the making of a loan as provided herein the lender shall endorse on the back of the honorable discharge or certificate, in lieu of discharge or certificate of eligibility, the date and amount of the loan and shall also forthwith transmit to the Administrator a statement setting forth the full name and serial number of the veteran, amount and terms of the loan, and the legal description of the property. No approval of the loan shall be required from the Administrator. Loans may be made by any Federal Reserve bank, National bank, State bank,

private bank, building and loan association, insurance company, or mortgage and loan company established prior to the date of this act, and any other lending institution or any person approved by the Administrator.

#### Purchase or construction of homes

SEC. 502. (a) Any application made by a veteran under this title for a loan to be used in purchasing residential property or in constructing a dwelling or unimproved property owned by him to be occupied as his home may be approved if the lender finds—

(1) that the proceeds of such loans will be used for payment for such property to be purchased or constructed by the veteran;

(2) that the contemplated terms of payment required in any mortgage to be given in part payment of the purchase price or the construction cost bear a proper relation to the veteran's present and anticipated income and expense; and that the nature and condition of the property is such as to be suitable for dwelling purposes; and

(3) that the purchase price paid or to be paid by the veteran for such property or the construction cost, including the value of the unimproved lot, does not exceed the reasonable value thereof as determined by the lender's appraisal.

(b) Any application for a loan under this section for the purpose of making repairs, alterations, or improvements in, or paying delinquent indebtedness, taxes, or special assessments on residential property owned by the veteran and used by him as his home, may be approved by the lender if the proceeds of such loan will be used for such purpose or purposes.

(c) No first mortgage shall be ineligible for insurance under the National Housing Act, as amended, by reason of any loan guaranteed under this title, or by reason of any secondary lien upon the property involved securing such loan.

#### Purchase of farms and farm equipment

SEC. 503. Any application made under this title for the guaranty of a loan to be used in purchasing any land, building, livestock, equipment, machinery, or implements, or in repairing, altering, or improving any buildings or equipment, to be used in farming operations conducted by the applicant, may be approved if the lender finds—

(1) that the proceeds of such loan will be used in payment for real or personal property purchased or to be purchased by the veteran, or for repairing, altering, or improving any buildings or equipment, to be used in bona fide farming operations conducted by him;

(2) that such property will be useful in and reasonably necessary for efficiently conducting such operations;

(3) that the ability and experience of the veteran, and nature of the proposed farming operations to be conducted by him, are such that there is a reasonable likelihood that such operations will be successful; and

(4) that the purchase price paid or to be paid by the veteran for such property does not exceed the reasonable value thereof as determined by the lender's appraisal.

#### Purchase of business property

SEC. 504. Any application made under this title for the guaranty of a loan to be used in purchasing any business, land, buildings, supplies, equipment, machinery, or tools, to be used by the applicant in pursuing a gainful occupation (other than farming) may be approved if the lender finds—

(1) that the proceeds of such loan will be used for payment for real or personal property purchased or to be purchased by the veteran and used by him in the bona fide pursuit of such gainful occupation;

(2) that such property will be useful in and reasonably necessary for the efficient and successful pursuit of such occupation;

(3) that the ability and experience of the veteran, and the conditions under which he proposes to pursue such occupation, are such

that there is a reasonable likelihood that he will be successful in the pursuit of such occupation; and

(4) that the purchase price paid or to be paid by the veteran for such property does not exceed the reasonable value thereof as determined by the lender's appraisal.

SEC. 505. In the event the veteran defaults in the payment of his loan and after suit or foreclosure and sale the deficiency is determined, then upon notification from the lender, the Administrator of Veterans' Affairs shall pay to the lender its guaranty not in excess of \$2,000 and not in excess of the deficiency, and be subrogated to the rights of the lender to the extent of the amount paid on the guaranty: *Provided*, That prior to suit or foreclosure the lender shall notify the Administrator, and within 30 days thereafter the Administrator may, at his option, pay the lender the face of the loan plus accrued interest and receive an assignment of the loan and security and thereafter sue or foreclose in the name of the Veterans' Administration.

### TITLE IV

#### CHAPTER VI—EMPLOYMENT OF VETERANS

SEC. 600. (a) In the enactment of the provisions of this title Congress declares as its intent and purpose that there shall be an effective job counseling and employment placement service for veterans, and that, to this end, policies shall be promulgated and administered, so as to provide for them the maximum of job opportunity in the field of gainful employment. For the purpose there is hereby created to cooperate with and assist the United States Employment Service, as established by the provisions of the act of June 6, 1933, a Veterans' Placement Service Board, which shall consist of the Administrator of Veterans' Affairs, as chairman, the Director of the National Selective Service System, and the Administrator of the Federal Security Agency, or whoever may have the responsibility of administering the functions of the United States Employment Service. The Board shall determine all matters of policy relating to the administration of the Veterans' Employment Service of the United States Employment Service.

(b) The chairman of the board shall have direct authority and responsibility for carrying out its policies through the veterans' employment representatives in the several States or through persons engaged in activities authorized by subsection (g) of section 8 of the Selective Service Act of 1940 (Public Law 783, 76th Cong., approved September 16, 1940, as amended (U. S. C., title 50, sec. 308)). The chairman may delegate such authority to an executive secretary who shall be appointed by him and who shall thereupon be the Chief of the Veterans' Employment Service of the United States Employment Service.

(c) The public records of the Veterans' Personnel Division, National Selective Service System, and the Veterans' Employment Service of the United States Employment Service shall be available to the Board.

SEC. 601. The United States Employment Service shall assign to each of the States a veterans' employment representative, who shall be a veteran of the wars of the United States separated from active service under honorable conditions, who at the time of appointment shall have been a bona fide resident of the State for at least 2 years, and who shall be appointed, subject to the approval of the Board, in accordance with the civil-service laws, and whose compensation shall be fixed in accordance with the Classification Act of 1923, as amended. Each such veterans' employment representative shall be attached to the staff of the public employment service in the State to which he has been assigned. He shall be administratively responsible to the Board, through its executive secretary, for the execution of



the Board's veterans' placement policies through the public employment service in the State. In cooperation with the public employment service staff in the State, he shall—

(a) be functionally responsible for the supervision of the registration of veterans in local employment offices for suitable types of employment and for placement of veterans in employment;

(b) assist in securing and maintaining current information as to the various types of available employment in public works and private industry or business;

(c) promote the interest of employers in employing veterans;

(d) maintain regular contact with employers and veterans' organizations with a view of keeping employers advised of veterans available for employment and veterans advised of opportunities for employment; and

(e) assist in every possible way in improving working conditions and the advancement of employment of veterans.

SEC. 602. Where deemed necessary by the Board, there shall be assigned by the administrative head of the employment service in the State one or more employees, preferably veterans, of the staffs of local employment service offices, whose services shall be primarily devoted to discharging the duties prescribed for the veterans' employment representative.

SEC. 603. All Federal agencies shall furnish the Board such records, statistics, or information as may be deemed necessary or appropriate in administering the provisions of this title, and shall otherwise cooperate with the Board in providing continuous employment opportunities for veterans.

SEC. 604. The Federal agency administering the United States Employment Service shall maintain that Service as an operating entity and, during the period of its administration, shall effectuate the provisions of this title.

SEC. 605. (a) The Board through its executive secretary shall estimate the funds necessary for the proper and efficient administration of this title; such estimated sums shall include the annual amounts necessary for salaries, rents, printing and binding, travel, and communications. Sums thus estimated shall be included as a special item in the annual budget of the United States Employment Service. Any funds appropriated pursuant to this special item as contained in the budget of the United States Employment Service shall not be available for any purpose other than that for which they were appropriated, except with the approval of the Board.

(b) The War Manpower Commission shall from its current appropriation allocate and make available sufficient funds to carry out the provisions of this title during the current fiscal year.

SEC. 606. The term "United States Employment Service" as used in this title means that bureau created by the provisions of the act of June 6, 1933, or such successor agencies as from time to time shall perform its functions and duties, as now performed by the War Manpower Commission.

SEC. 607. The term "veteran" as used in this title shall mean a person who served in the active service of the armed forces during a period of war in which the United States has been, or is, engaged, and who has been discharged or released therefrom under conditions other than dishonorable.

#### TITLE V

#### CHAPTER VII—READJUSTMENT ALLOWANCES FOR FORMER MEMBERS OF THE ARMED FORCES WHO ARE UNEMPLOYED

SEC. 700. (a) Any person who shall have served in the active military or naval service of the United States at any time after September 16, 1940, and prior to the termination of the present war, and who shall have been discharged or released from active service

under conditions other than dishonorable, after active service of 90 days or more, or by reason of an injury or disability incurred in service in line of duty, shall be entitled, in accordance with the provisions of this title and regulations issued by the Administrator of Veterans' Affairs pursuant thereto, to receive a readjustment allowance as provided herein for each week of unemployment, not to exceed a total of 52 weeks, which (1) begins after the first Sunday of the third calendar month after the date of enactment hereof, and (2) occurs not later than 2 years after discharge or release or the termination of the war, whichever is the later date: *Provided*, That no such allowance shall be paid for any period for which he receives increased pension under part VII of Veterans Regulation 1 (a) or a subsistence allowance under part VIII of such regulation: *Provided further*, That no readjustment allowance shall be payable for any week commencing more than 5 years after the termination of hostilities in the present war.

(b) Such person shall be deemed eligible to receive an allowance for any week of unemployment if claim is made for such allowance and the Administrator finds with respect to such week that—

(1) the person is residing in the United States at the time of such claim;

(2) the person is completely unemployed, having performed no service and received no wages, or is partially unemployed in that services have been performed for less than a full workweek and the wages for the week are less than the allowance under this title plus \$3;

(3) the person is registered with and continues to report to a public employment office, in accordance with its regulations;

(4) the person is able to work and available for suitable work: *Provided*, That no claimant shall be considered ineligible in any period of continuous unemployment for failure to comply with the provisions of this subparagraph if such failure is due to an illness or disability which occurs after the commencement of such period.

#### CHAPTER VIII—DISQUALIFICATIONS

SEC. 800. Notwithstanding the provisions of section 700, a claimant shall be disqualified from receiving an allowance if—

(1) he leaves suitable work voluntarily, without good cause, or is suspended or discharged for misconduct in the course of employment;

(2) he, without good cause, fails to apply for suitable work to which he has been referred by a public employment office, or to accept suitable work when offered him; or

(3) he, without good cause, does not attend an available free training course as required by regulations issued pursuant to the provisions of this title.

(b) Notwithstanding the provisions of section 700, a claimant shall also be disqualified from receiving an allowance for any week with respect to which it is found that his unemployment is due to a stoppage of work which exists because of a labor dispute at the factory, establishment, or other premises at which he is or was last employed: *Provided*, That this subsection shall not apply if it is shown that—

(1) he is not participating in or directly interested in the labor dispute which causes the stoppage of work; and

(2) he does not belong to a grade or class of workers of which, immediately before the commencement of the stoppage there were members employed at the premises at which the stoppage occurs, any of whom are participating in or directly interested in the dispute: *Provided, however*, That if in any case separate branches of work, which are commonly conducted as separate business in separate premises, are conducted in separate departments of the same premise, each such department shall, for the purposes of this

subsection, be deemed to be a separate factory, establishment, or other premises.

(c) (1) If a claimant is disqualified under the provisions of subsection (a) of this section, he shall be disqualified to receive any readjustment allowance for the week in which the cause of his disqualification occurred and for not more than four immediately following weeks.

(2) In addition to the disqualification prescribed in paragraph (1) above, the Administrator may, in cases of successive disqualifications under the provisions of subsection (a) of this section, extend the period of disqualification for such additional period as the Administrator may prescribe, but not to exceed eight additional weeks in the case of any one disqualification.

(d) (1) In determining under subsection (a) of this section the suitability of work or the existence of good cause with respect to a claimant, the conditions and standards prescribed by the unemployment compensation laws of the State in which he files his claim shall govern: *Provided*, That the Administrator may prescribe conditions and standards for applicants in any State having no applicable statute.

(2) In determining under subsection (a) of this section the suitability of work, no work shall be deemed suitable for an individual if—

(A) the position offered is vacant due directly to a strike, lock-out, or other labor dispute; or

(B) the wages, hours, or other conditions of the work offered are substantially less favorable to him than those prevailing for similar work in the locality.

#### CHAPTER IX—AMOUNT OF ALLOWANCE AND PAYMENT

SEC. 900. (a) The allowance for a week shall be \$20 less that part of the wages payable to him for such week which is in excess of \$3: *Provided*, That where the allowance is not a multiple of \$1, it shall be computed to the next highest multiple of \$1.

(b) The number of weeks of allowances to which each eligible veteran shall be entitled shall be determined as follows: For each calendar month or major fraction thereof of active service during the period stated in section 700 the veteran shall be entitled to 4 weeks of allowances, but in no event to exceed the maximum provided in section 700: *Provided*, That the allowance for the qualifying 90 days service shall be 8 weeks for each such month.

SEC. 901. (a) Readjustment allowances shall be paid at the intervals prescribed by the unemployment compensation law of the State in which the claim was made: *Provided*, That if none are so prescribed readjustment allowances shall be paid at such reasonable intervals as may be determined by the Administrator.

(b) Any allowances remaining unpaid upon the death of a claimant shall not be considered a part of the assets of the estate of the claimant, or liable for the payment of his debts, or subject to any administration of his estate, and the Administrator may make payment thereof to such person or persons he finds most equitably entitled thereto.

SEC. 902. (a) Any person qualified under subsection (a) of section 700, and residing in the United States who is self-employed for profit in an independent establishment, trade, business, profession, or other vocation shall be eligible for readjustment allowances under this title within the time periods applicable, and not in excess of the total amount provided in this title.

(b) Upon application by the veteran showing, in accordance with rules prescribed by the Administrator, that he has been fully engaged in such self-employment and that his net earnings in a trade, business, profession, or vocation, have been less than \$100 in the previous calendar month, the veteran



shall be entitled to receive, subject to the limitations of this title as to time and amount, the difference (adjusted to the next highest multiple of \$1), between \$100 and his net earnings for such month.

(c) Payment of such allowance shall be made by the Administrator to each eligible veteran at the time and in the manner other payments are made directly to veterans by the Administrator.

(d) Subsection (b) of section 700 and section 800 shall not apply in determining the eligibility for allowances of a claimant under this section.

#### CHAPTER X.—ADJUSTMENT OF DUPLICATE BENEFITS

SEC. 1000. Where an allowance is payable to a claimant under this title and where, for the same period, either an allowance or benefit is received under any Federal or State unemployment or disability compensation law, the amount received or accrued from such other source shall be subtracted from the allowance payable under this title (except that this section shall not apply to pension, compensation, or retired pay paid by the Veterans' Administration); and the resulting allowances, if not a multiple of \$1, shall be readjusted to the next higher multiple of \$1.

#### CHAPTER XI.—ADMINISTRATION

SEC. 1100. (a) The Administrator of Veterans' Affairs is authorized to administer this title and shall, insofar as possible, utilize existing facilities and services of Federal and State departments or agencies on the basis of mutual agreements with such departments or agencies. Such agreements shall provide for the filing of claims for readjustment allowances with the Administrator through established public employment offices and State unemployment-compensation agencies. Such agencies, through agreement, shall also be utilized in the processing, adjustment, and determination of such claims and the payment of such allowances. To facilitate the carrying out of agreements with State departments or agencies and to assist in the discharge of the Administrator's duties under this title, a representative of the Administrator, who shall be a war veteran separated from active service under honorable conditions and who at the time of appointment shall have been a bona fide resident of the State for at least 2 years, shall be located in each participating State department or agency.

(b) The Administrator, consistent with the provisions of this title, shall prescribe such rules and regulations and require such records and reports as he may find necessary to carry out its purposes: *Provided, however,* That cooperative rules and regulations relating to the performance by Federal or State departments, or agencies, of functions under agreements made therewith may be made by the Administrator after consultation and advisement with representatives of such departments or agencies.

(c) The Administrator may delegate to any officer or employee of his own or of any cooperating department or agency of any State such of his powers and duties, except that of prescribing rules and regulations, as the Administrator may consider necessary and proper to carry out the purposes of this title.

(d) Allowances paid by the cooperating State agencies shall be repaid upon certification by the Administrator. The Secretary of the Treasury, through the Division of Disbursement of the Treasury, and without the necessity of audit and settlement by the General Accounting Office, shall pay monthly to the departments, agencies, or individuals designated, the amounts so certified.

(e) The Administrator shall from time to time certify to the Secretary of the Treasury for payment in advance or otherwise such sums as he estimates to be necessary to compensate any Federal department or agency for its administrative expenses under this

title. Such sums shall cover periods of no longer than 6 months.

(f) The Administrator shall also from time to time certify to the Social Security Board such State departments or agencies as may be participating in the administration of this title, and the amount of the administrative expense incurred or to be incurred by a State under agreements made pursuant to this section. Upon such certification the Social Security Board shall certify such amount to the Secretary of the Treasury, in addition to the amount, if any, payable by said Board under the provisions of section 302 (a) of the Social Security Act, as amended, and the additional amount so certified shall be paid to each State by the Secretary of the Treasury out of the appropriation for the Veterans' Administration.

(g) Any money paid to any cooperating agency or person, which is not used for the purpose for which it was paid shall, upon termination of the period covered by such payment or the agreement with such agency or person be returned to the Treasury and credited to the current appropriation for carrying out the purpose of this title, or, if returned after the expiration of period covered by this title, shall be covered into the Treasury as miscellaneous receipts.

SEC. 1101. (a) No person designated by the Administrator as a certifying officer shall, in the absence of gross negligence, or intent to defraud the United States, be liable with respect to the payment of any allowance certified by him under this title.

(b) No disbursing officer shall, in the absence of gross negligence, or intent to defraud the United States, be liable with respect to any payment by him under this title if it was based upon a voucher signed by a certifying officer designated by the Administrator.

SEC. 1102. Any claimant whose claim for an allowance has been denied shall be entitled to a fair hearing before an impartial tribunal of the State agency or such other agency as may be designated by the Administrator. The representative of the Administrator located in each State shall be the final appellate authority in regard to contested claims arising in such State, subject to review by the Administrator.

SEC. 1103. In the case of any veteran eligible under the provisions of this title who either at the time of application for the benefits herein provided is a "qualified employee" as defined in section 3 of the Railroad Unemployment Insurance Act, as amended, or was last employed prior to such application by an employer as defined in section 1 (a) of the said act, claim may be made through an office operated by or a facility designated as a free employment office by the Railroad Retirement Board pursuant to the provisions of said act. In such cases, the conditions and standards as to suitability of work or existence of good cause, the intervals for making claim for and payment of benefits, and the administrative and appellate procedures prescribed by or under said act shall govern, if not in conflict with the provisions of this title, the appellate procedures being subject to final appeal to the Administrator. In such cases, a reference in this title to a cooperating State agency shall be deemed to include the Railroad Retirement Board.

#### CHAPTER XII.—DECISIONS AND PROCEDURES

SEC. 1200. The authority to issue subpoenas and provisions for invoking aid of the courts of the United States in case of disobedience thereto, to make investigations, and to administer oaths, as contained in title III of the act of June 29, 1936 (49 Stat. 2033-34; U. S. C., title 38, secs. 131-133), shall be applicable in the administration of this title.

#### CHAPTER XIII.—PENALTIES

SEC. 1300. Any claimant who knowingly accepts an allowance to which he is not en-

titled shall be ineligible to receive any further allowance under this title.

SEC. 1301. (a) Whoever, for the purpose of causing an increase in any allowance authorized under this title, or for the purpose of causing any allowance to be paid where none is authorized under this title, shall make or cause to be made any false statement or representation as to any wages paid or received, or who makes or causes to be made any false statement of a material fact in any claim for any allowance under this title, or who makes or causes to be made any false statement, representation, affidavit, or document in connection with such claim, shall be guilty of a misdemeanor and upon conviction thereof shall be fined not more than \$1,000 or imprisoned for not more than 1 year, or both.

(b) Whoever shall obtain or receive any money, check, or allowance under this title, without being entitled thereto and with intent to defraud the United States, shall be punished by a fine of not more than \$1,000 or by imprisonment for not more than 1 year, or both.

#### CHAPTER XIV.—DEFINITIONS

SEC. 1400. As used in this title—

(a) The term "week" means such period or periods of 7 consecutive calendar days as may be prescribed in regulations by the Administrator.

(b) The term "wages" means all remuneration for services from whatever sources, including commissions and bonuses and the cash value of all remuneration in any medium other than cash.

#### TITLE VI

#### CHAPTER XV.—GENERAL ADMINISTRATIVE AND PENAL PROVISIONS

SEC. 1500. Except as otherwise provided in this act, the administrative, definitive, and penal provisions under Public No. 2, Seventy-third Congress, as amended, and the provisions of Public No. 262, Seventy-fourth Congress, as amended (38 U. S. C. 450, 451, 454a, and 556a), shall be for application under this act. For the purpose of carrying out any of the provisions of Public No. 2, as amended, and this act, the Administrator shall have authority to accept uncompensated services, and to enter into contracts or agreements with private or public agencies, or persons, for necessary services, including personal services, as he may deem practicable.

SEC. 1501. Except as otherwise specified, the appropriations for the Veterans' Administration are hereby made available for expenditures necessary to carry out the provisions of this act and there is hereby authorized to be appropriated such additional amounts as may be necessary to accomplish the purposes of this act.

SEC. 1502. Wherever used in this act, unless the context otherwise requires, the singular includes the plural; the masculine includes the feminine; the term "Administrator" means the Administrator of Veterans' Affairs; the term "United States" used geographically means the several States, Territories and possessions, and the District of Columbia; the term "State" means the several States, Territories and possessions, and the District of Columbia; and the phrases "termination of hostilities in the present war," "termination of the present war," and "termination of the war," mean termination of the war as declared by Presidential proclamation or concurrent resolution of the Congress.

SEC. 1503. A discharge or release from active service under conditions other than dishonorable shall be a prerequisite to entitlement to veterans' benefits provided by this act or Public Law No. 2, Seventy-third Congress, as amended.

SEC. 1504. The Administrator shall transmit to the Congress annually a report of operations under this act. If the Senate or the



House of Representatives is not in session, such reports shall be transmitted to the Secretary of the Senate or the Clerk of the House of Representatives, as the case may be.

SEC. 1505. In the event there shall hereafter be authorized any allowance in the nature of adjusted compensation, any benefits received by, or paid for, any veteran under this act shall be charged against and deducted from such adjusted compensation; and in the event a veteran has obtained a loan under the terms of this act, the agency disbursing such adjusted compensation shall first pay the unpaid balance and accrued interest due on such loan to the holder of the evidence of such indebtedness to the extent that the amount of adjusted compensation which may be payable will permit.

SEC. 1506. (a) Before any proposed regulation or order to carry out the purposes of this act shall be issued by any governmental agency exercising authority conferred hereunder, other than intraagency administrative rules or orders governing the conduct of its activities or interagency rules governing relations with other agencies of the Government, a draft thereof shall be submitted to the Committee on Finance of the Senate of the United States and to the Committee on World War Veterans' Legislation of the House of Representatives.

(b) The draft of such proposed regulation or order shall be immediately assigned to the Committee on Finance in the Senate and to the Committee on World War Veterans' Legislation in the House of Representatives, for study, to consider whether such rule or regulation is made in conformity with the spirit, letter, intent, and purpose of this act, and that no unusual or unexpected use of powers herein granted is proposed. Such regulation or order may be approved or disapproved by the Committee on Finance of the Senate or by the Committee on World War Veterans' Legislation of the House of Representatives, or a duly authorized subcommittee of either. In the absence of action by either committee approving or disapproving such regulation or order, it may go into effect not earlier than the 15th day following, but not including the date of the receipt of the draft of such proposed regulation or order by the President of the Senate and the Speaker of the House of Representatives. If sooner approved by either committee it may go into effect immediately upon such approval. Disapproval of such regulation or order by either committee shall suspend its issuance: *Provided*, That in the event of conflicting committee actions the earlier action shall govern.

(c) For the purposes of this section the Committee on Finance of the Senate and the Committee on World War Veterans' Legislation of the House of Representatives, or any duly authorized subcommittees thereof, are authorized to sit and act during the sessions, recesses, and adjourned period of the Congress.

(d) This section shall be effective from the date of this approval.

The SPEAKER. The Clerk will read the first committee amendment.

The Clerk read as follows:

Committee amendment: Page 9, line 24, change "officers" to "officer."

The amendment was agreed to.

Mr. RANKIN. Mr. Speaker, since the bill has been printed in the RECORD, I ask unanimous consent that further reading of the committee amendments be dispensed with, they to be printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The committee amendments are as follows:

Page 15, line 24, change "institution" to "institutions."

Page 21, line 19, after "of", insert "the."

Page 21, line 21, change "guaranteed" to "guaranteed."

Page 22, line 6, before "An", insert "(a)."

Page 22, after line 23, insert the following:

"(b) All national banks wherever located and all other banks and trust companies located in the District of Columbia and other Territories and possessions of the United States, without regard to the limitations and restrictions of any other statute or ruling of the Federal Reserve Board, are authorized to make any loans guaranteed under the provisions of the Servicemen's Readjustment Act of 1944, as the same is now or may hereby be amended."

Page 23, line 2, after "dwelling", strike "or" and substitute in lieu thereof "on."

Page 26, line 11, strike "face" and insert in lieu thereof "unpaid balance."

Page 32, line 18, change "works" to "work."

Page 32, line 25, before "Notwithstanding", insert "(a)."

Page 44, line 5, change "too" to "to."

Page 46, beginning line 7, strike the period, strike all of lines 8, 9, and 10, and strike that part of line 11 preceding "for."

Page 46, beginning line 24, after "the", strike the remainder of line 24, strike line 25 through the period, and insert in lieu thereof "chairmen of such committees."

Page 47, line 5, change "(c)" to "(b)."

Page 47, line 11, change "(d)" to "(c)."

The SPEAKER. The question is on the committee amendments.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### EXTENSION OF REMARKS

Mr. SNYDER (at the request of Mr. HENDRICKS), was given permission to extend his remarks in the RECORD and to include an address by Major General Richards.

#### ADJOURNMENT OF THE HOUSE UNTIL OCTOBER 8, 1945

Mr. McCORMACK. Mr. Speaker, I offer a privileged resolution (H. Con. Res. 68) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

*Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on Saturday, July 21, 1945, it stand adjourned until 12 o'clock meridian on Monday, October 8, 1945, or until 12 o'clock meridian on the third day after Members are notified to reassemble in accordance with section 3 of this concurrent resolution, whichever occurs first.*

SEC. 2. That the consent of the House of Representatives is hereby given to an adjournment of the Senate at any time during the month of August or September, 1945, until 12 o'clock meridian on Monday, October 8, 1945, or until 12 o'clock meridian on the third day after Members are notified to reassemble in accordance with section 3 of this concurrent resolution, whichever occurs first.

SEC. 3. The President pro tempore of the Senate and the Speaker of the House of Representatives shall notify the Members of the Senate and the House, respectively, to reassemble whenever in their opinion legislative expediency shall warrant it or whenever the majority leader of the Senate and the majority leader of the House, acting

jointly, or the minority leader of the Senate and the minority leader of the House, acting jointly, file a written request with the Secretary of the Senate and the Clerk of the House that the Congress reassemble for the consideration of legislation.

The SPEAKER. The question is on the resolution.

Mrs. ROGERS of Massachusetts. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentlewoman will state it.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I shall have to object because I would like to have some assurances that a bill to grant increased compensation to amputees will be considered.

The SPEAKER. This is a privileged resolution.

Mrs. ROGERS of Massachusetts. I ask the gentleman from Massachusetts to withhold his resolution until later in the day so that we can work out something regarding the amputee bill. We have done nothing in this session of the Congress for those men or in fact for the disabled veterans.

The SPEAKER. The Chair understood from those in charge of veterans' legislation that if he recognized a gentleman on the bill just passed, objection to this resolution would be withdrawn.

Mrs. ROGERS of Massachusetts. That was not my understanding. I understood that we would have a hearing in reference to these amputees. We have done nothing for the disabled in this session of Congress. We have just passed the GI bill, for which I am very glad, but we have done nothing for those who need help the most—our disabled.

Mr. McCORMACK. The gentlewoman from Massachusetts has manifested her opposition. I may say that the gentlewoman is aware of the fact that the bill that just went through was passed under agreement. I realize she has another bill, but perhaps that can be worked out and the bill brought up by unanimous consent. That is another proposition, however. The gentlewoman understood the situation clearly, if not expressly, at least by implication. I understand the gentlewoman from Massachusetts is opposed to this resolution, and she has certainly manifested her opposition to it.

Mrs. ROGERS of Massachusetts. I wish the gentleman would withhold it. He said he would on the request of anyone. I think later in the afternoon something can be worked out. I assure you, Mr. Speaker, I do not want to make a point of no quorum, but these men are disabled, and it is simply doing lip service if we do not do something for them. It makes a great difference to them.

Mr. RANKIN. Mr. Speaker, a point of order.

Mrs. ROGERS of Massachusetts. I feel very strongly about this. I am sorry to have to make the point.

The SPEAKER. The gentlewoman's conversation is out of order unless the gentleman from Massachusetts withdraws the resolution, which the Chair trusts he will not.

Mr. McCORMACK. The gentleman from Massachusetts is complying with a previous understanding. The gentleman from Massachusetts has always kept his



word in the past no matter what others might say to the contrary. Mr. Speaker, I offer the resolution.

Mrs. ROGERS of Massachusetts. Mr. Speaker, there is no quorum here. I do not want to raise the point of no quorum but I do feel that bill should have consideration.

The SPEAKER. The gentlewoman may raise the question of a quorum not being present at any time she desires.

Mr. RANKIN. Mr. Speaker, I agreed to call the committee together if I could get unanimous consent to do that. I ask unanimous consent that I may call the members of the Committee on World War Veterans' Legislation together at 4 o'clock this afternoon.

Mrs. ROGERS of Massachusetts. Then something can be passed to give the amputees more compensation. Therefore I shall not make the point of no quorum.

The SPEAKER. The Chair cannot entertain a unanimous-consent request.

Mr. RANKIN. Then I will call the committee together tomorrow morning at 10 o'clock.

The SPEAKER. That is perfectly all right.

Mrs. ROGERS of Massachusetts. With that understanding, Mr. Speaker, I withdraw my objection.

The SPEAKER. The question is on the resolution offered by the gentleman from Massachusetts.

The resolution was agreed to.

A motion to reconsider was laid on the table.

#### EXTENSION OF REMARKS

Mr. MARTIN of Massachusetts (at the request of Mr. MICHENER) was given permission to extend his remarks in the RECORD.

Mr. FEIGHAN (at the request of Mr. CARNAHAN) was given permission to extend his remarks in the RECORD and include an analysis of the improvements made in the Dumbarton Oaks proposals by the San Francisco Conference in the light of the recommendations made by official Catholic, Protestant, and Jewish agencies entitled "The San Francisco Charter; Goals and Achievements."

Mr. TRIMBLE asked and was given permission to extend his remarks in the RECORD.

Mr. KELLY of Illinois asked and was given permission to extend his remarks in the RECORD and include a short newspaper article.

Mr. HEALY asked and was given permission to extend his remarks in the RECORD and include a magazine article.

Mr. TRAYNOR asked and was given permission to extend his remarks in the RECORD in two instances; to include in one an article on nylon by the Du Pont Co., and in the other an article on rocket powder tested by the use of sound waves by the Hercules Co.

Mr. MANSFIELD of Montana asked and was given permission to extend his remarks in the RECORD.

Mr. DELACY asked and was given permission to extend his remarks in the RECORD in two instances; to include in one

an article on full employment with statements signed by several Members of Congress, and in the other an article on the trouble in Macedonia, and two newspaper articles.

Mr. PATRICK asked and was given permission to extend his remarks in the RECORD.

Mr. RYTER asked and was given permission to extend his remarks in the RECORD and include the commencement address delivered by the majority leader, the gentleman from Massachusetts [Mr. McCORMACK], at Boston College June 13, 1945.

Mr. SHEPPARD asked and was given permission to extend his remarks in the RECORD.

Mr. SABATH asked and was given permission to revise and extend the remarks he made earlier today, and to extend his remarks in the RECORD and include two editorials and one article.

Mr. STIGLER asked and was given permission to extend his remarks in the RECORD and include an article by the national commander of the American Legion.

Mr. WASIELEWSKI asked and was given permission to extend his remarks in the RECORD in two instances and include in one an article from the Milwaukee Journal.

Mr. VOORHIS of California asked and was given permission to revise and extend the remarks he made earlier today and to extend his remarks in the RECORD and include certain excerpts, an article, a letter, and a portion of another article.

Mr. JENKINS asked and was given permission to extend his remarks in the RECORD.

Mr. WEICHEL asked and was given permission to extend his remarks in the RECORD.

Mr. GEARHART asked and was given permission to extend his remarks in the RECORD in three instances and include extracts from extraneous matters in each.

Mr. FULTON (at the request of Mr. ADAMS) was given permission to extend his remarks in the RECORD.

Mr. SCHWABE of Missouri asked and was given permission to extend his remarks in the RECORD in two instances and include in one an article written by the president of the Missouri State Chamber of Commerce.

Mr. SPRINGER asked and was given permission to extend his remarks in the RECORD and include an editorial and certain other excerpts.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent that the remarks I made yesterday regarding Col. Oveta Culp Hobby, commander of the WAC, may be inserted in the RECORD at this point.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

[Mrs. ROGERS of Massachusetts addressed the House. Her remarks will appear hereafter in the Appendix.]

#### PERMISSION TO ADDRESS THE HOUSE

Mr. SMITH of Wisconsin. Mr. Speaker, I ask unanimous consent that today, following any special orders heretofore entered, I may be permitted to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

#### APPROPRIATIONS

The SPEAKER. Under previous order of the House, the gentleman from New York [Mr. TABER] is recognized for 15 minutes.

Mr. TABER. Mr. Speaker, I ask unanimous consent to revise and correct—I say "correct" because I shall use over-all figures from tables—the remarks I expect to make now, and to include certain tables prepared by myself in reference to appropriations.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. TABER. Mr. Speaker, the total direct appropriations of dollars by the Congress at this session run approximately \$59,000,000,000. The largest item of permanent appropriation is the interest on the public debt, which is approximately \$5,500,000,000, as I recall. There is an enormous number of permanent appropriations, which run into a considerable amount, besides that. On top of that there is a great lot of reappropriations; that is, enormous funds that have been provided for the Army and the Navy, whose eligibility would expire the 30th of last June unless reappropriations were made. Those things altogether, appropriations and reappropriations, have made available by the operation of legislation in this session of Congress approximately \$91,785,000,000.

In addition, there are probably \$50,000,000,000 that have heretofore been appropriated that were already obligated prior to the 1st of July, so that the total amount available to the different agencies of the Government for expenditure would run somewhere around \$140,000,000,000.

These are enormous sums. It is impossible without a detailed picture of all these methods of making funds available to give a correct picture.

There are enormous funds that have been provided for the Reconstruction Finance Corporation and enormous funds that have been provided for other loan agencies of the Government. Some of these will show tremendous losses, especially the investment of the Reconstruction Finance Corporation funds, under the operations of the Defense Plants Corporation, in buildings and other things for the war effort. It is absolutely impossible until you get a complete picture of that for anyone to say just what the effect of these things might be.



Now we are paying the price of these agreements. Gerald Firth, president of the Firth-Stirling Steel Co., stated in 1941:

"The control of the tungsten carbide patents by the General Electric Co and the Krupp Co. has resulted in keeping the price at exorbitant levels. Now when the emergency has come industry has not learned how to use tungsten carbide and has not the machines, the skilled men, or the technique which it would have had if the material had been available at the low price at which it was available to German industries."

After an indictment of the General Electric Co. and the Krupp Co. by the Anti-trust Division of the Department of Justice, the price of tungsten carbide dropped from \$205 to \$48 a pound even though the emergency demand for machine tools has created a brisk market. But it will take at least a year to make up the loss caused by these German-dominated restraints of trade.

Thus it will be clear that but for the action of the United States Department of Justice in breaking up the patent pool and cartel monopoly on tungsten carbide, its cost would have undoubtedly continued to hover in the stratosphere beyond the reach of practically all American producers.

It is perfectly obvious how well the interests of Germany were served by this arrangement and it should be equally obvious to us that our patriotic duty is to resolve that such things will never be allowed to happen again. It will be noted that Judge Arnold quoted a statement by Mr. Gerald Firth, president of the Firth-Stirling Steel Co. regarding tungsten carbide. Another quotation from this same Mr. Firth, found on page 270 of a book entitled "Germany's Master Plan," by Borkin and Welch, reads as follows:

Please bear in mind that as I have said before the price in this country (of tungsten carbide) is from ten to fifteen times the German price and that is a difficult thing to justify now that industry in general is recognizing the value of our production.

Mr. Speaker, I have previously addressed the House and testified before a subcommittee of the House Judiciary Committee in support of my bill, H. R. 97, now reintroduced in somewhat revised form as H. R. 3462, which bill seeks to amend the patent laws in such a way as to provide appropriate penalties against the abuse of the patent grant by any holder or licensee of a patent which involves the establishment of monopoly in violation of the laws of this Nation.

Today, I am not going to speak for my bill myself, but I am going to conclude my remarks here with a letter which I received from Mr. John H. Grayson of the Tungtip Tools Co., Monrovia, Calif., in which he discusses this legislation and the problem of our patent laws generally. I earnestly urge the Members of the House to heed what Mr. Grayson has to say in this letter, since he speaks indeed out of a long and rich and, I am thankful to say, successful experience as an inventor, manufacturer, and proprietor of a typically American small business.

LOWELL & GRAYSON,  
Monrovia, Calif., April 11, 1945.  
The Honorable JERRY VOORHIS,  
House of Representatives,  
Washington, D. C.

Subject: Abuses of patent rights.

DEAR CONGRESSMAN: In reference to your pending bill H. R. 97 before Congress, I have

the following comments based on my experience. Forty patents have been awarded to me by the United States Patent Office. Five times I have been in patent litigation and have won every case. I am now involved in an interference case in connection with the last patent awarded me, namely, the tungsten carbide milling cutter.

#### PATENT INCENTIVE

I have always looked upon a patent as an act of Congress, as an incentive to promote new, novel, and useful devices, processes, and formulas for the ultimate benefit of the entire Nation. The inventor's reward is 17 years' monopoly. The abuses of patent rights are seldom attributed to the inventor. It is the assignee who exploits the patent right by exorbitant prices, royalties, restriction of production and, in many incidences, refuses to produce the patented article, etc., and holds the patent dormant so as to prevent its interference or competition with some other device, etc., already in production.

#### ABUSES OF PATENT LAW

My first experience with the abuses of patent law was in 1920. The electrical spot welder was a big money saver over the use of punched holes and rivets. When the spot-welding apparatus was first introduced, it was purchased outright for \$900. Suddenly the method of marketing changed. You could no longer buy a spot welder outright. The terms were \$1,000 for the privilege of using a spot welder in your plant. Then a monthly royalty based on the number of spots welded. Although paying \$1,000—\$100 more than the original purchase price—the spot welder remained the property of the manufacturer. The result was infringement and the alleged infringer was supported by manufacturers using such spot welders, who believed they were being imposed upon. A large amount of money was raised among subscribers, which included Ford Motor Co., Willys-Overland, and others. I, at that time, subscribed to the fund because I had just bought a second-hand spot welder for \$400 and it was an outright purchase. I was informed by a director of my company that I was buying a lawsuit, but I could not see paying \$1,000 for something that would not belong to me. The final result was the courts invalidated the patent and those users who had acquiesced in the exorbitant terms were the losers along with the patentees.

In 1926 exactly the same circumstances and conditions were applied to the sand cutting machine, a power-driven machine for mixing molding sand to a uniform moisture and density. This sand cutter, which replaced the man with a shovel, did a much better job in far less time with less skill required, but the owners of the sand cutter patents, like the patentees of the electrical spot welder, wanted a perpetual revenue for the patents. In other words, they were following the example set by the United Shoe Machinery Co., who for several years preferred to rent their patented machinery rather than sell it outright.

#### PATENT CONDITION, SO-CALLED

Among manufacturers of patented devices and the legal profession specializing in patents, there is a term, highly significant, known as building up "a patent condition." For example, a manufacturer is enjoying a very profitable and comfortable business from the commercial success of a patented device. Constantly the patentee watches the issuance of new patents which may be a threat to his subject monopoly. Lots of these patents, termed "a nuisance value," are purchased from the inventor for all the way from \$200 to \$2,000. In most cases \$500 or \$1,000 will purchase so-called "nuisance value" patents. Furthermore, the patentee, in all probability, has a department engaged in experiments and developments. Such a department endeavors to develop and patent ideas having the same function, manner of functioning, and results produced, as the

patent enjoying commercial success. There is no intention on the part of said patentee to produce his own competitive device or to license anybody else to do so. The sole object in patenting further developments and buying the patents of others (nuisance values) is to protect the patent under which he is manufacturing profitably and comfortably because of the monopoly enjoyed. I, myself, have engaged in such practice. It is a common practice to sue an alleged infringer for infringement of a patent not being manufactured to protect a patent that is being manufactured. This condition arises from the fact that the same result may be obtained through a different function or manner of functioning and thus an alleged infringer, in case of litigation, can feel reasonably sure of a court decision for non-infringement.

#### THE SPIRIT OF PATENT LAW

Frequently, courts in patent cases base their findings on the spirit of the law. A case in point is the repeating rifle. The patentee and manufacturer diligently developed and produced said repeating rifles, and, without undue loss of time, they were in the hands of the shooting public. A farmer, seeing such rifles on the market, informed his attorney that the repeating rifle was his idea. He had thought of it long ago, and, to prove it, he took his attorney up into the attic and, from the shelf, brought down a dust-covered, crude model of a repeating rifle. Immediately the attorney saw a lucrative case against the manufacturer of the repeating rifle. A suit was filed and the case was heard. The opinion of the court was unique: "When Congress first passed the patent law, the object was to encourage creative faculty for the benefit of the public at large, and the incentive was a temporary exclusive right to the manufacture and sale of the patented article. Therefore, the question of diligence arises. If a man conceives an idea that is new, novel, and useful, he is in duty bound under the spirit of patent law to be diligent in placing the said article in the hands of the public. The plaintiff, having finished the first model and apparently abandoning it, did not comply with the spirit of patent law. In fact, it was the defendant's diligence that revived the interest of the plaintiff in his own alleged invention. Therefore, I feel in duty bound to decide this case in favor of the defendant" (the manufacturer of the repeating rifle).

As an inventor, I would willingly forego such a practice if it were law, and I further believe that any patentee abusing the patent right through exorbitant charges, curtailing production, or, in other words, any violation of the spirit of patent law, the subject patent should be held invalid.

With kindest personal regards and best wishes, I remain,

Sincerely yours,

J. H. GRAYSON.

#### Carry On

#### EXTENSION OF REMARKS OF

#### HON. JED JOHNSON

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 17, 1945

Mr. JOHNSON of Oklahoma. Mr. Speaker, under leave to extend my remarks, I am submitting a very beautiful and moving poem written by Mack P. McCabe, engineer's mate, third class, of El Reno, Okla., after a visit to the graves of fallen marine heroes on Saipan. I am



sure this poem carries a timely message for all of us.

The poem, which is entitled "Carry On," follows:

CARRY ON

On the grassy slope of a tropical isle,  
Many miles across the sea,  
Is a sacred spot where heroes sleep,  
The sleep of eternity.

Beneath them lies the now quiet beach,  
Where death fell in sheets like rain,  
While above them rises the lofty heights,  
Which they tried to reach in vain.

For them, the struggle is over,  
But the cause for which they died,  
Is enshrined to the world forever  
By small crosses, side by side.

But for those who remain it's not finished,  
They must push forward until  
The stars and stripes wave proudly  
From the crest of the highest hill.

And in the evening, when day is closing,  
Or in the first faint flashes of dawn,  
Each cross seems to silently spread its arms  
And pray, "Please God, help them carry on."

—M. P. McCabe.

### Coal Situation in Western Pennsylvania

#### EXTENSION OF REMARKS OF

**HON. JAMES G. FULTON**

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 1945

Mr. FULTON. Mr. Speaker, the coal situation in western Pennsylvania at present is bad, and is growing worse. The terms of the wage scale agreed upon under the new coal operators' contract of April and approved by the War Labor Board are endangered by indecision in OPA. The OPA has arbitrarily set the price so that 25 percent of the mines in the Pittsburgh district will simply trade dollars or lose money. It should now be pointed out that the operators are necessarily laying off shifts and are closing mines currently. We are not getting full production. There is danger of safety precautions and upkeep being slighted in all western Pennsylvania mines.

Let me quote what the Pittsburgh Post-Gazette on July 9 editorially says about the situation:

As Congressmen from the coal-producing areas warn that the country faces another coal shortage this winter unless the price is increased to meet the increased cost of production, a report from Washington says that the OPA, the Solid Fuels Administration, and the Office of Economic Stabilization are discussing the situation.

Briefly, this is reported to be the situation. The slight increase in the price of coal authorized by the OPA is not sufficient to meet the increased cost of production authorized by the WLB in raising the wages of miners. As a result, the fear has been expressed that coal production will suffer as operators reduce their labor costs by eliminating overtime work as much as possible.

If this is correct, the OPA or the Solid Fuels Administration or the Office of Economic Stabilization had better do something about it right away. The public does not expect producers to mine and sell coal at a loss. The public, which has more spending money than ever before, will have enough to buy

coal next winter. And if coal is not obtainable, for love or money, shivering householders will not appreciate the fact that the stabilization program saved them a few cents a ton on the coal they cannot buy.

It is one thing to do without the essentials of life when they have to go into the war effort. It is something else again when Government agencies, which found a way to sidestep wartime regulations in raising mine wages, create an unnecessary shortage of coal by fixing the price below the cost.

Mr. Charles Baton, of Pittsburgh, chairman of the coal operators' committee of district No. 2, representing both the large and many small coal operators in western Pennsylvania, says:

There is no doubt that under current conditions, unless there is some price adjustment to meet the recent wage increase agreed upon between the miners and the operators, that there will be a definite trend to discontinue the more expensive production of coal, such as overtime work, night shifts for which extra pay is given, and it will be necessary to leave thin veins of coal unmined.

Unless such full production can be engaged in without loss, current stockpile shortages and shortages of domestic coal will grow more severe.

John P. Busarello, president of district 5, United Mine Workers of America, today has given me a fair and reasonable statement on the importance of the western Pennsylvania coal situation to the Nation, the war effort, and the miners and western Pennsylvania mining communities. He states:

The contract agreed upon between the United Mine Workers of America and the coal operators on April 11, 1945, was approved by the War Labor Board on April 24, 1945, and was put into effect when the OPA approved the recommended wage increase on April 30, 1945. This contract has been in force since that time with the expectation that the Office of Price Administration would grant a fair adjustment in the selling price of coal to meet the new contract obligation.

Because the OPA has failed to grant an adjustment in price sufficient to meet the cost in the production of coal, we miners know that the operators are compelled to lay off every man they possibly can, which is reducing the safety precautions to a minimum. As a result miners lives are endangered in the mines, as the OPA regulations do not permit the operators to meet their obligation to the miners.

At a meeting in Washington recently the OPA admitted of its own free will and accord that in order to meet the demands of the new agreement, an adjustment of 22 cents per ton was required. In the face of the facts that there is a terrible shortage of coal in our Nation now and there will be people in homes at freezing temperatures this coming winter, many small mines are now working only 5 days a week as a result of this condition. And it looks very much like there will be a black market of coal in Pittsburgh district unless this condition is alleviated in the very near future by the OPA.

Not only have production and safety suffered terribly in the mines in our district since the operators have been laying off men in order to reduce costs, but under conditions such as this, existing in our district mines, there can be no peace between the operators and the miners. The miners of western Pennsylvania want full production for the war effort, and want it to be obtained through cooperation and peaceful adjustment.

The operators are today cutting down on the agreement that they have signed only because of the fact that the OPA has not allowed them an increase to cover the cost of production.

This condition must be corrected and the public should know the above facts in order that they may fully understand the situation now existing in the coal industry in our district.

Your Congressman states for the RECORD now: We will have a great shortage of coal this fall and this action of the OPA is one of the considerable factors causing such result. I am afraid the OPA is using the old kill-the-little-pig formula, which will cut production.

We will all suffer this winter and we must press the OPA to act now. Let the people of my good Thirty-first Congressional District of Pennsylvania be warned and get adequate winter coal where you can now. You will need it this winter for your family. Do not hesitate. If you cannot get it, wire or write OPA immediately.

### G. I. Bill of Rights

#### EXTENSION OF REMARKS OF

**HON. WILLIAM G. STIGLER**

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 1945

Mr. STIGLER. Mr. Speaker, few legislative measures enacted by Congress have offered such promise to the men and women in the armed forces as the Servicemen's Readjustment Act of 1944, popularly known as the G. I. bill of rights. However, weaknesses have developed in administration of this legislation and other faults have been found in the light of experience. One in particular has to do with setting price standards on a "reasonable normal value" at a time when conditions are far from normal.

Edward N. Scheiberling, national commander of the American Legion, has written a most constructive appraisal of the G. I. bill of rights for the American magazine. He makes sound and practical suggestions as regards both administration of the law and changes that should be made by Congress. Under unanimous consent, I include the national commander's article in the CONGRESSIONAL RECORD, and I commend it to the attention of Members of Congress:

Cheered by the tremendous publicity that has been given the GI bill of rights, eager to accept the opportunities and security that this act of Congress promised veterans, thousands upon thousands of discharged servicemen are rolling up their sleeves, taking pens in hand, and preparing to fill out the forms that will give them the benefits pledged by a grateful government.

They're anxious to get education and vocational training, they want to borrow to buy a home or a farm or to set themselves up in business, and, according to the public prints and the radio and the morale-building movie shorts, this will be as easy as rolling into a fox hole.

But this is not the case. The measure is not fully effective, for many reasons. Inadequate administration, red tape, too narrow interpretations, and certain weaknesses found in the legislation through experience are among contributing factors to its ineffectiveness. Administration of the legislation has not been in keeping with the spirit and intent of Congress.



Regulations must be changed to eliminate masses of red tape that hog-tie the veteran, with liberalization of many of the provisions in the GI bill so he can get easily what he was promised by Congress. Every day the number of discharged veterans increases; every day hundreds are learning that not only do the regulations fail to fulfill the promise offered to them under the bill of rights, but some cases they actually give veterans less than has already been provided by Congress for civilians.

Banks will lend on good will, but the GI bill won't recognize it. A veteran wanted to buy a bakery at a fair price, which took into account the location of the bakery and its long lines of constant customers—in other words, its goodwill. Since these intangible assets did not entitle him to Government aid, he bought the bakery with an ordinary 6-percent bank loan.

Another veteran, who had become a good pharmacist in the Navy, had a chance to buy a drug store at a bargain. It was well stocked and worth at least \$8,000, and he could get it for \$6,000. The bill of rights could not help him to buy the stock on the shelves; it could aid him only in buying the fixtures. A civilian bought the store and is doing fine.

A veteran wanted to buy a pressing and dry cleaning business that had an income of \$30,000 a year. He had some cash and collateral and got a regular loan from a bank, but he needed \$4,000 more to close the deal, partly to buy cleaning fluids and clothes hangers. The Veterans' Administration refused to help because part of the money would be used for expendable material—the fluid would be used up and the hangers would be given away.

Veterans often find that banks will make business loans, at 6 percent, which the Veterans' Administration rejects, even though the most conservative bankers agree that the security offered is gilt-edged. Banks consider the character and ability of the man as an asset and lend on that, for working capital and inventory, and will lend so a man can stock and run a restaurant, a store, or a filling station. The Veterans' Administration won't lend for working capital or on inventory even when the veteran offers responsible cosigners—loans that a bank is eager to get.

The bill of rights was enacted on June 22, 1944, and the American Legion, with the aid of veterans who sought to use it, has kept a critical eye upon it as it has gone through its shake-down cruise. The machinery has been subjected to all the tests of trial-and-error, and while basically the design is sound, many bugs are showing up.

The major weaknesses in the bill are the provisions for education and vocational training and those that offer guarantees for loans. The injustices in the educational and training program can be corrected easily. The barrier of age should be lifted, so that many men over 25 who now are not eligible may take college or vocational courses, and arrangements should be made to pay more of the tuition for technical courses that are shorter and more expensive, per month, than the average college courses. The veteran, too, should be provided with more expert advice, to guide him to the courses for which he is best fitted and which will aid him most in his post-scholastic life.

The educational provisions, even in today's imperfect form, are of substantial aid. After the bill of rights had been in operation for more than 11 months, and more than 1,500,000 men had been discharged, 35,907 veterans had been granted the school benefits, which pay up to \$500 for a year's tuition of at least 32 weeks' duration, and give maintenance pay of \$50 a month for single men and women and \$75 for those with dependents.

However, the loan provision—a guaranty of up to \$2,000—had been of almost no value

to those 1,500,000 men. In the same 11-month period it aided 6,225 in buying homes, but—after all the promises that were made to the would-be farmers and would-be businessmen—only 137 farm loans were approved and only 335 veterans were able to use the bill of rights to set themselves up in business.

Red tape and the restrictions are barring thousands. Investigations show that time after time a veteran who wants to buy a small store or start a trucking service or a lunch counter, or who wants a farm of his own, has found the procedure so complicated and the terms so stiff that he has given up without ever filing an application. Some veterans returning from combat have found they can finance a home, a farm, or a business with less delay and red tape by direct application to agencies that are open to everybody.

The most startling examples appear when the returning veteran wants to buy a farm. He becomes amazed and apoplectic when he finds that the bill of rights does not offer a better deal than is available to every farmer qualified to borrow under the Bankhead-Jones Act, which puts the efficient civilian farmer into business and helps him succeed. The bill of rights has one advantage. The Government pays the first year's interest (not more than \$80) on that part of the loan which it guarantees. But under the bill of rights the veteran must pay off the loan in 20 years and may have to furnish some capital. Under the Farm Tenant Act he will have 40 years in which to pay off, and he would be eligible in some instances where farmers could not qualify.

We know that thousands of veterans want to buy farms and that hundreds have made purchases and have negotiated loans. When the record shows that out of all these, in the first 11 months, only 137 were able to use the GI bill, it is obvious that we are giving infinitesimal advantages to the man who comes home from war with a longing for a farm of his own. No wonder he thinks he has been the victim of hollow promises.

In general the provisions of the bill of rights, regarding loans on farms, homes, and businesses, are these:

The qualified veteran who wants to buy a certain property arranges for a loan with a lending agency—such as a bank, Federal Housing, RFC, or the Farm Security Administration—in much the same manner as though he were a civilian, except that the Government guarantees the payment of 50 percent of the loan up to \$2,000. The Government doesn't lend him that \$2,000. It merely assures the lending agency that it will stand good for that amount and, as the loan is reduced, so, in proportion, is the guaranty.

If the veteran, for instance, wants to buy a \$6,000 business, he may be able to get it with \$1,000 of his own money and a loan of \$5,000 from a bank, which gets a Government guaranty on \$2,000 of that loan. If he wants to buy property worth \$1,000 and needs a loan of \$500, the Government guarantees only \$250.

Take the case of a veteran who wanted to buy a home for \$1,800. The owner had received an offer of \$2,000 for it but was willing to knock \$200 off the purchase price to help a veteran. However, the official appraiser reported that the "reasonable normal value" of the home was only \$1,600 and that therefore the veteran was about to pay more than it was worth. So the Veterans' Administration refused to guarantee any part of the loan.

The local Veterans' Administration office had predicted that the loan would be approved. The veteran had moved into the house and had paid the first year's taxes when the bad news finally arrived from Washington. At last report all was confusion, and neither the veteran, the bank, nor the owner of the house knew what to do—but all were raising their voices in loud protest.

That phrase, "reasonable normal value," is the road block which is causing much of the trouble. Congress wants to protect veterans, to be sure that they do not pay more for a property than it is worth, and to protect the lending agency, too, so that if, in a few years, values fall, the loan will still be sound. So Congress stated that no GI loan can be guaranteed if the purchase price exceeds "the reasonable normal value," which means the value in normal times—and these are not normal times.

One veteran wrote, "The land bank appraisers tell me that this clause kills the whole bill, because nothing exists that can be bought at reasonable normal value today."

So strict is the Veterans' Administration that a loan was rejected when the appraiser reported that the veteran was going to pay \$60 more than the value of the property. The rules of the Veterans' Administration will not allow the purchaser to make a payment on the side to lower the selling price to the appraiser's estimate. Otherwise, the veteran might have paid the seller the \$60 difference and arranged the loan.

The reasonable normal value of almost any profitable business these days is far below its wartime current value. A veteran was willing to pay almost twice its normal value for a successful restaurant because, in these times, he would have an excellent chance to pay off his loan before any slump might come in the restaurant business. But he didn't even apply for aid, for he knew the appraiser would cite the normal value and the GI loan would be disapproved.

A veteran, an experienced farmer, had an opportunity to buy a good 240-acre farm for \$4,800, but couldn't get his loan because the appraised normal values was \$4,200.

"I could earn enough money in the next few years," he protested, "so I could make my regular payments and set aside enough money to carry me through any depression." But the Veterans' Administration pointed to the law. It couldn't help him unless he paid only the normal value.

Many veterans are prevented from buying businesses because the GI bill guarantees no loans on inventory or stock. The Veterans' Administration can help in the purchase of a truck for deliveries, or for fixtures in a store, but the purchase of goods that are to be sold must be financed elsewhere.

Recently a discharged major told this story: He was 52 years old, had served in both world wars, and in between had been a flier and a businessman. He wanted to buy for \$7,000 a store that was stocked with second-hand furniture and to move it to a town that is certain to have a boom. Its factories are about to reopen as restrictions are lifted on material needed for the manufacture of civilian goods. The major was sure he had an excellent chance to make about \$1,000 a month, but the Veterans' Administration could not guarantee a loan on stock—and there's not much but stock in a second-hand furniture store.

Farmers and businessmen often need a loan for working capital, in addition to the money for the purchase price, but the veteran gets no working capital under the GI bill. A banker reports, "We are always reluctant to make a loan, when working capital is lacking, so in many cases the veteran, lacking only a few hundred dollars to get himself started, finds himself defeated before he fills out a form."

The Veterans' Administration, properly, will not make a business loan unless the veteran has ability and experience and is reasonably sure to be successful in his undertaking. But sometimes the Government itself, through other agencies, prevents an experienced man from having any opportunity for success. In other words, even with a GI loan, the veteran desiring to go into business finds himself blocked by another



branch of the Government. WPB, ODT, and OPA regulations are mostly to blame, in cases where—because a man has been away at war—he has no business record that entitles him to supplies of restricted commodities. The civilian, who stayed at home, gets the stuff.

Restrictions should be lifted in favor of veterans whether they are using the GI loan plan or not. We must not stand idly by while men and women home from war find that their service actually bars them from advantages that are available to civilians.

In Massachusetts a veteran, partly paralyzed, wanted to make and sell doughnuts, and he was all set to earn a living until the OPA decided that it couldn't give him the 250 pounds of sugar every month. Every effort was made to help him, but the OPA said, "He's a new industrial user," and, as such, the law says, "No sugar."

Fortunately, he was struck with a good idea. He joined forces with a man who owned a lunchroom and who had been making doughnuts for years, and he set up his machine as part of the lunchroom and now gets his sugar. It should be noted, however, that there has been some relaxation so far as industrial use of sugar, fats, and oils is concerned.

A photographer who sold all his equipment to the Signal Corps when he went into the Army was given a medical discharge after serving 2½ years. But the WPB will not give him the proper priorities, and he can't return to his old profession.

We have many such cases. Men who, before they went into the service, were coal dealers, tire recappers, electrical supply dealers, truckmen, and garment makers report that they cannot get priorities which will put them back in business. The owner of a plastics manufacturing company, forced to sell his plant at a loss when he went into the Army, is now discharged and eager to go back into business. He was given a priority, but it's not high enough to get the machines he needs. Of course, he may eventually get his machines, but the point is that he has been forced to wait while civilians had priority.

Protests come from all over the United States regarding delays and red tape. Generally it takes at least 2 weeks for the veterans to get from the Veterans' Administration a certificate that proves he is eligible for the loan. Certification of eligibility under the GI bill and other rights should be given the veteran automatically when he is discharged.

Another bad feature is that when the veteran is ready to apply for the loan he must fill out a multitude of forms and pay from \$5 to \$20 to an appraiser whose report on the "reasonable normal value" of the property may wreck all the proceedings. Even if he doesn't get the loan, he must pay the appraiser's fee in most cases; and sometimes veterans make deposits to hold property and lose the deposit when the Veterans' Administration refuses to O. K. the loan. One such veteran lost a deposit of \$250, most of his mustering-out pay.

So complicated is the procedure that many men who have faced Germans and Japs without flinching throw up their hands and surrender. "I gave up in bewilderment and disgust," says one man, "after I had answered about a million questions and found I had about a million more to answer. It turns out that a businessman can borrow \$100,000 from his bank with less red tape than is necessary for a serviceman to get a guaranty for \$500."

No one wants the Government to guarantee poor loans, but I believe that new rules and new interpretations can be worked out which will assure that neither the Veterans' Administration nor the veteran himself is victimized. In many more cases, let's give the veteran the benefit of the doubt.

We are now asking for amendments to assure veterans the benefits intended by Congress, and to correct inequities, and demanding that the regulations of the Veterans' Administration be simplified and shortened so that the average veteran can understand his rights under the law and be able to obtain them upon reasonable application. Simultaneously, WPB, ODT, and OPA regulations must be amended so that supplies and equipment will be available to veterans, to the end that these wartime regulations will not block the GI bill of rights.

The term "reasonable normal value," in connection with GI loans, should give way to a more liberal term, such as "reasonable value" or "reasonable market value." If the appraised value is less than the seller's price, the veteran should be permitted to make up the difference by direct payment to the seller.

However, with the liberalizing of the law, care should be taken to protect the veteran for the "long pull," and expert counsel should be available at no cost to the veteran, so that he will not be the victim of bad bargains in homes, businesses, and farms.

Veterans should be granted priorities on materials necessary for the conduct of new businesses.

The Veterans' Administration should simplify its regulations and speed up its processes.

It should not be necessary for a veteran to make a deposit to hold property until the loan is arranged, and appraisal fees should be paid by the seller, the lending agency, or by the Government.

The regulations should be changed to permit sound loans on inventory and, under favorable circumstances, loans for working capital.

The farm-loan situation should be examined. In many cases the guaranty of \$2,000 is not enough for the purchase of a good, well-equipped, and productive farm. Perhaps we could increase that guaranty with small risk of loss.

The proper kind of bill of rights will help our veterans become self-sufficient; it will increase employment and production. It is not a contribution to charity; it is a Government investment in manhood, womanhood, and democracy.

### St. Lawrence Seaway

#### EXTENSION OF REMARKS OF

**HON. THAD F. WASIELEWSKI**

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 1945

Mr. WASIELEWSKI. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Milwaukee Journal of July 15, 1945:

#### NEVERTHELESS WE NEED SEAWAY

It is reported that the anthracite industry is organized to defeat the St. Lawrence seaway. Some 50 members of the industry, assembled in Washington, were told that "construction of the seaway would deprive the railroads of about 20,000,000 tons of freight yearly, a large percentage of this being coal."

If so, shippers presumably would benefit by this shift of a 20,000,000 ton freight movement to water-borne rates. Consumers would benefit if the savings were passed along to them—by orders of the interstate commerce commission or as the direct result of competition.

This is not to say that shippers, consumers, and the people as a whole do not need

the railroads. They do. The Nation must have them even if it has to resort to subsidy.

However, freight does not move on a waterway until it first has been hauled there. So the figures discussed by the anthracite industry need analysis. If some long overland hauls were curtailed by a seaway, to what degree would shorten overland hauls, to ports on that seaway, offset the losses to the railroads?

And, if hydroelectric power instead of coal were used to produce cheaper electricity, would not that be in the public interest?

The seaway must be constructed regardless of its competitive effects on railroads, the coal industry, or other enterprises. Even if it seriously injures such businesses, the public benefits will greatly exceed those injuries. And if the public, for its own best protection, has to sustain one or a number of those industries despite their losses, then that will be a share of the cost of seaway benefits.

### Service Records of Sons of Mrs. Ludie Elnora Winegar, of Redlands, Calif.

#### EXTENSION OF REMARKS

OF

**HON. HARRY R. SHEPPARD**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 1945

Mr. SHEPPARD. Mr. Speaker and Members of the Congress, during the impact of our wartime program, there have been many contributions made by the citizens of this Nation. I wish to take this opportunity of calling attention to the Members of the Congress and to the Nation as a whole the contributions that have been made by a most splendid mother, Mrs. Ludie Elnora Winegar, 225 Fourth Street, Redlands, Calif.

Mrs. Winegar has six sons in the service and the seventh left on June 11 for induction. The latter son has been employed in defense work awaiting his induction call. An eighth son who was in the Army for 3 months has an honorable physical discharge.

This splendid mother and all her children are staunch supporters of democratic processes. Mrs. Winegar has been a widow for 17 years but has successfully directed a course for her sons and daughters that has resulted in their being splendid citizens.

The military records of her sons are as follows:

John C. Winegar, chief machinist mate, San Diego, Calif., has been in the Navy 20 years and was in Pearl Harbor at the time of the attack. He is 39 years of age.

Wiley J. Winegar, ship fitter, first class, has been in the service since 1941, and participated in the invasion of Germany. He is now in South America. He is 37 years of age.

Henry J. Winegar, warrant officer, has been in the Navy since 1939. He has been in 18 major battles and is now in the South Pacific giving further service to his Nation. He is 26 years of age.

Arthur C. Winegar, machinist, first class, has been in the Navy since 1941 and is now serving his Nation in the South Pacific. He is 25 years of age.



July  
18.





DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE  
(Issued July 20, 1945, for actions of Thursday, July 19, 1945)

(For staff of the Department only)

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HIGHLIGHTS: Senate passed bill transferring certain RFC subsidies to CCC. Senate committee reported bill increasing Export-Import Bank's lending authority. Sen. Stewart commended proposal for single surplus-property administrator. Rep. Jenkins discussed recommendations to improve the sugar situation. Rep. Ellis criticized the lend-lease program. Rep. Hope criticized the measure to provide for AAA-tobacco-marketing-quota elections and specify CCC loan rates on tobacco. Sen. Morse criticized OPA's handling of the Oreg. lamb situation.

SENATE

1. EXPORT-IMPORT BANK. Banking and Currency Committee reported without amendment H. R. 3771, to provide for increasing the lending authority of the Export-Import Bank of Washington (S.Rept. 490) (p. 7874). Agreed to Majority Leader Barkley's (Ky.) request to make this bill the unfinished business (p. 7940).
2. BANKING AND CURRENCY. Sen. Hart, Conn., inserted a constituent's petition for the extension and maintenance of credit for the purchase and carrying of securities (p. 7873).
3. CLAIMS; INSECT CONTROL. Claims Committee reported without amendment S. 1250, for the relief of certain claimants who suffered losses and sustained damages as the result of the campaign carried by the Federal Government for the eradication of the Mediterranean fruitfly (S.Rept. 491) (p. 7874).
4. SURPLUS PROPERTY. Sen. Stewart, Tenn., commended the President's recommendation that surplus-property disposal be put under one man, agreed to modify his bill S. 1264 to that end, and urged early consideration of his bill, stating that it provides that surplus-property disposal in its entirety shall be placed under the Surplus Property Board (or Administrator) (pp. 7889-90).
5. FOOD SUPPLY. Sen. Morse, Oreg., criticized OPA's handling of the Oreg. lamb situation and inserted several communications on this subject. Several members discussed this with him. (pp. 7908-12.)
6. BRETTON WOODS AGREEMENTS. Passed, 61-16, with amendments H.R. 3314, to provide for U.S. participation in the International Monetary Fund and the International Bank for Reconstruction and Reconversion (pp. 7875-88, 7890-908).
7. C.C.C. SUBSIDIES. Passed as reported S. 1270, providing for transfer to CCC of RFC subsidies on meat, flour, and butter (p. 7940). The committee amendment



struck out the provision for sugar-crop subsidies. Sen. O'Mahoney, Wyo., inserted the committee report (p. 7940).

8. TAXATION; RECONVERSION. Passed with amendments H.R. 3633, the tax bill, to facilitate reconversion (pp. 7912-40).
9. NOMINATION. Confirmed the nomination of Casper Ooms to be Commissioner of Patents (p. 7941).
10. REGIONAL AUTHORITIES. H.R. 2690 (see Digest 143), amends the Bonneville Project Act so as to provide better methods of administration and, among other things, authorizes the Administrator to dispose of energy to Federal agencies at rates approved by the Federal Power Commission, relieves him of maintaining duplicate records, requires annual commercial-type audit, authorizes appointments pursuant to civil-service laws of electrical-facility workers, and authorizes settlement of tort claims not in excess of \$1,000 and settlement of property damage claims.

#### HOUSE

11. SUGAR SITUATION. Rep. Jenkins, Ohio, discussed the Republican Congressional Food Committee's recommendations to help relieve the sugar situation (pp. 7942-3). The recommendations are as follows: To borrow sugar from the United Kingdom and from military allocations, place an embargo on shipments to foreign countries until actual stock-piles are disclosed and justified, expand the sugar-beet production, and prepare now for sugar production in the Orient.
12. LEND-LEASE. Rep. Ellis, W. Va., criticized the lend-lease program in view of "shortages" (including food) in the U.S. (p. 7943).
13. PERSONNEL; COMPENSATION. Passed without amendment S. 714, to amend the Employees' Compensation Act so as to clarify procedures, including those pertaining to filing claims (pp. 7944-5).
14. PERSONNEL CEILINGS. Received this Department's estimate of personnel requirements for the quarter ending June 30, 1945. To Civil Service Committee. (p. 7952.)
15. ARCHIVES. H.R. 3243 (see Digest 142) (to amend the National Archives Act) authorizes heads of agencies to impose restrictions on the use of records transferred to the Archivist only at the time or prior to their physical transfer, such restrictions to remain in force and effect until the successor of an agency head agrees to modification or removal and to apply to the Archivist and National Archives employees as well as to heads of agencies and departments and their employees.
16. VETERANS. H.R. 3749 (see Digest 143), amends the GI Bill of Rights as follows: Increases to 4 years the time in which training courses may be initiated and allows 9 instead of 7 years for the completion of such course; provides for short-intensive post-graduate courses up to 30 weeks; increases subsistence allowances during educational courses other than correspondence courses; includes correspondence schools in "educational or training institutions," provides for payment by the Government for courses in correspondence schools in existence prior to the date of the act; increases from 2 to 6 years the time in which application may be made for loans; such application to be made to the Administrator of Veterans' Affairs instead of the "lending agency," no loan to be negotiated until 20 days after date of veteran's discharge; eliminates the security requirement for loans; provides for honorable discharge to be certificate of eligibility; eliminates Administrator's approval for loans for resi-



dential property; provides for Senate Finance and House World War Veterans' Legislation Committees' review of draft of any regulations pursuant to this act before issuance; eliminates Veterans' Administrator's authority to determine conditions under which guaranteed loans shall be payable; and authorizes loans to be made by any Federal Reserve bank, National bank, State bank, private bank, building and loan association, insurance company, or mortgage and loan company established prior to the date of this Act, and any other lending institution or any person approved by the Administrator.

#### BILLS INTRODUCED

17. RESEARCH. S. 1285, by Sen. Magnuson, Wash., and H.R. 3852, by Rep. Mills, Ark., to promote the progress of science and the useful arts, to secure the national defense, to advance the national health, prosperity, and welfare. To Commerce and Interstate and Foreign Commerce Committees. (pp. 7874, 7953.) Remarks of author on S. 1285 (p. 7874).
18. SURPLUS PROPERTY. H.R. 3851, by Rep. Colmer, Miss., to provide for administration of the Surplus Property Act of 1944 by a Surplus Property Administrator. To Expenditures in the Executive Departments Committee. (p. 7953)
19. VETERANS. H.R. 3853.

#### ITEMS IN APPENDIX

20. AAA; TOBACCO. Rep. Hope, Kans., criticized the measure to provide for AAA-tobacco marketing-quota elections and specify CCC loan rates on fire-cured and dark air-cured tobacco (pp. A3814-6).
21. LEND-LEASE. Rep. Ellis, W. Va., inserted a letter characterizing lend-lease in the Middle East as, "waste of American products and money" (pp. A3816-7).
22. PRICE CONTROL. Rep. Arnold, Mo., inserted a Wall Street Journal editorial on, "Better Control Than OPA," in defense of free competitive enterprise (p. A3826).
23. BRETTON WOODS AGREEMENTS. Rep. Arnold, Mo., inserted a Wall Street Journal article commending the Bretton Woods agreements (p. A3826).
24. EDUCATION. Extension of remarks of Rep. Stigler, Okla., favoring educational radio broadcasts and including FCC Commissioner Paul A. Walker's speech on the subject (pp. A3824-5).
25. POST-WAR PLANNING; FOREIGN TRADE. Rep. Reed, N.Y., criticized "proposed regimentation and strangulation" of foreign business and inserted a Wall Street Journal editorial, "A Plan for Government-Controlled Foreign Trade" (p. A3831).

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For supplemental information and copies of legislative material referred to call Ext. 4654, or send to Room 112 Adm. Arrangements may be made to be kept advised, routinely, of developments on any particular bill.

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NOTE: It is understood that the Senate Agriculture Committee voted to report, with amendments, S. 962, the school-lunch bill; S. 1224, the bill to give former owners first call on surplus land; and S. 230, to remove the \$1,000 limitation on farm-loan cancellation, adjustments, etc.

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COMMITTEE-HEARING ANNOUNCEMENT for July 20: S. Spec. Defense, Pan-American Highway.





# DESIGNATION OF BIRTHDAY OF FRANKLIN D. ROOSEVELT AS A NATIONAL HOLIDAY

Mr. TOBEY. Mr. President, I ask unanimous consent to present for appropriate reference and to have printed in the RECORD a resolution adopted by the Berlin (N. H.) Aerie, Fraternal Order of Eagles, memorializing Congress to designate the birthday of the late President Franklin D. Roosevelt as a national holiday.

There being no objection, the resolution was received, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Resolution memorializing Congress to designate the birthday of the late President Franklin Delano Roosevelt as a national holiday

Whereas Franklin Delano Roosevelt served as President of the United States from March 4, 1932, until his untimely death on April 12, 1945, having been elected to four successive terms and having become the first American President honored by his fellow citizens with more than traditional two terms;

Whereas President Roosevelt assumed office during the depression, one of the great domestic crises in the Nation's history, and by wise, courageous, and humanitarian leadership restored confidence and faith in America;

Whereas President Roosevelt championed the cause of the workingmen of America and ushered in a new era of consideration for the rights of labor and the common man;

Whereas President Roosevelt espoused and signed the National Social Security Act, generally recognized as the greatest social measure in American history, climaxing a 14-year educational campaign by the Fraternal Order of Eagles in behalf of State and Federal old-age security legislation;

Whereas President Roosevelt awakened our Nation to the menace of fascism to our free institutions and our very existence as a free people and led America and its allies, the United Nations, in the mightiest world struggle for human freedom, culminating in the unconditional surrender of Germany and in decisive victories over Japan;

Whereas President Roosevelt charted a course for preventing future wars, by means of a permanent world peace organization, economic cooperation, and international good will, thereby embodying during the most critical period in modern history the hopes, the aspirations, and the ideals of his fellow countrymen, and the oppressed peoples of the entire world; and

Whereas Franklin Delano Roosevelt is assured an immortal place in world history and will earn the gratitude of American generations yet to come and the esteem and affection of free peoples in all lands: Now, therefore, be it

*Resolved*, That Berlin Aerie, Fraternal Order of Eagles, hereby respectfully petition the Congress of the United States to designate January 31, the birth date of Franklin Delano Roosevelt, as a national holiday; and be it further

*Resolved*, That copies of this resolution be sent to the United States Senators from this State and the Congressman of this district.

## EXTENSION AND MAINTENANCE OF CREDIT FOR PURCHASE AND CARRYING OF SECURITIES—PETITION

Mr. HART. Mr. President, I ask unanimous consent to present for appropriate reference and to have printed in the RECORD, a petition of Thomas J. Reardon, of Hartford, Conn., relating to the extension and maintenance of credit

for the purchase and carrying of securities.

There being no objection, the petition was received, referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

In accordance with the Constitution of the United States, I, Thomas J. Reardon, a citizen of the United States, resident of Hartford, Conn., respectfully petition the Congress of the United States to consider and take action upon the following grievance and proposed remedy:

Whereas for the purpose of stabilizing the economy of this Nation following the collapse of 1907, Congress instituted the Federal Reserve bank, and whereas the direct evidence of the failure of the Federal Reserve bank to prevent an economic collapse of 1929 substantiates the following accusation:

The Federal Reserve bank allowed the credit wealth of the Nation to be siphoned into speculation prior to 1929. That was the period of inflation credited to their false method of valuation and whereas they still insist on using the same false method of valuation which will promote the very thing they are trying to prevent.

The Federal Government treated the effect by Government bond issue—some forty-seven billion—and had not solved the unemployment problem. War and production of implements of war employed all the employable and adding some hundreds of billions more of debt as a burden on the people of the Nation.

Whereas we are confronted with the problem of production to furnish employment to meet the current expenses of government and liquidate a debt which private enterprise producing the things people desire and will purchase inasmuch as their ability to earn will permit, and the credit wealth of the Nation supporting the production will furnish the bloodstream of the whole economic system when so employed.

To prevent repetition of the experience prior to 1929, it is only necessary for Congress, by legislation, to substitute "yield" for "market quotation" as a method of valuation for the extension of credit for the purchase and carrying of securities as follows:

A bill amending regulation U (loans by banks) and regulation T (extension and maintenance of credits to brokers, etc.)

An amount not greater than 50 percent of the value determined by yield as follows:

On common stock to be at least 5 percent per annum.

On preferred stock to be at least 4 percent per annum.

On bonds to be at least 3 percent per annum.

And yield that determines the value at the time of the loan shall be the minimum yield per annum for the previous 5 years.

Discontinue the special privileges of brokers and dealers.

## POLITICAL OR ECONOMIC COOPERATION BY UNITED STATES WITH OTHER NATIONS TO PREVENT WAR—PETITION

Mr. HART. Mr. President, I also ask unanimous consent to present for appropriate reference and to have printed in the RECORD a petition from Thomas J. Reardon, of Hartford, Conn., relating to political or economic cooperation by the United States with other nations to prevent war.

There being no objection, the petition was received, referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

In accordance with the Constitution of the United States, I, Thomas J. Reardon, a citizen of the United States, resident of

Hartford, Conn., respectfully petition the Congress of the United States to consider and take action upon the following grievance and proposed remedy:

Whereas man's two major problems are war and economic misery. These being of man's own making, the cause and remedy can be definitely determined and set down. It is an absolute fact that the overwhelming majority of the two-billion-odd people in the world do not want war or economic misery. The evidence is clear that minorities have involved majorities in those catastrophes, minorities being the administrators in the different forms of government. The exercise of the common sense of the common people, which Thomas Jefferson said is the greatest force on earth, would be the most potent influence in correcting this situation.

Whereas the purpose and intent of our forefathers is to forever prevent men by evil method governing people without their consent. Their set of principles, their doctrine, their idealism, and their realism, they set down in our Constitution, second only to the law of God, is evidenced by their wisdom in implementing good will. Providing for change is evidence that they did not claim perfection;

Whereas a set of principles proposing to prevent war and economic misery is subscribed to by the administrators of the various kinds of governments assembled in San Francisco to build a method of government to that end. The method of attaining this end is now disclosed in the proposed charter, which document itself clearly discloses the falseness of the premises upon which it is based;

Whereas the pagan sovereign states and nations have a method of government wherein the people are subjects, while we declared our separation and independence as an evidence of a divine sovereign people's method of government, wherein the people are masters and limit by our Constitution the authority and discretion of the administrators in peace and war;

Whereas Congress resolved to cooperate with other nations by constitutional processes to prevent war and economic misery; while at the Convention at San Francisco, attended by our delegates, a constitution for the prevention of war and economic misery has been devised and now awaits adoption; and

Whereas this so-called charter is in fact a constitution, upon the question of the adoption of which our delegates will vote, although there is no provision in the Constitution of the United States for the adoption or ratification of such a charter or constitution of a world-supreme government; and once we are in we cannot get out, as we have interpreted our Constitution denying the right of any signatory to secede. And, again, when a state ratifies a constitutional amendment it cannot rescind its action. It has exhausted its authority. In the Constitution there are no provisions for the action necessary for this Nation to cooperate with other nations in the manner and form disclosed after the various conferences at San Francisco; and admitting, as its proponents do, that it is only an experiment, there is no exit in the event of failure: Therefore be it

*Resolved*, That before committing this Nation to any plan of political or economic cooperation with other nations to prevent war,

Congress will summon the voting citizens for their verdict by ballot; and providing that three-quarters of the voters concur.

This alone is a barrier against the evil will of minority manipulators, the cause of war and economic misery all down through the history of man; preventing the uncon-



stitutional surrender of our "divine sovereignty" by taking this constitutional means to attain this "divine end."

#### ADEQUATE MANPOWER FOR BITUMINOUS COAL INDUSTRY—REPORT OF MILITARY AFFAIRS COMMITTEE

Mr. REVERCOMB. Mr. President, on behalf of my colleague [Mr. KILGORE] and myself, from the Committee on Military Affairs, I ask unanimous consent to report favorably without amendment the concurrent resolution (S. Con. Res. 21) urging the War Department and the War Manpower Commission to take immediate action to assure manpower in the bituminous-coal industry adequate to attain the needed coal production, and for other purposes, and I submit a report (No. 501) thereon.

It is a concurrent resolution dealing with the release of men in the service for the purpose of increasing manpower in coal mining. It is a very important measure. The manpower situation in the State of West Virginia and other coal-producing States is in a precarious condition, in view of the great demand which will be made for the use of coal in the days ahead of us.

The PRESIDENT pro tempore. Without objection, the report will be received, and the concurrent resolution will be placed on the calendar.

#### REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MURDOCK, from the Committee on Banking and Currency:

H. R. 3771. A bill to provide for increasing the lending authority of the Export-Import Bank of Washington, and for other purposes; without amendment (Rept. No. 490).

By Mr. ELLENDER, from the Committee on Claims:

S. 1183. A bill to authorize payment of certain claims for damage to or loss or destruction of property arising from activities of the War Department or of the Army; without amendment (Rept. No. 500);

S. 1250. A bill for the relief of certain claimants who suffered losses and sustained damages as the result of the campaign carried out by the Federal Government for the eradication of the Mediterranean fruitfly in the State of Florida; without amendment (Rept. No. 491);

H. R. 1245. A bill for the relief of John F. Davis; without amendment (Rept. No. 492);

H. R. 1301. A bill for the relief of Madeline Winter and Ethel Newton; without amendment (Rept. No. 493); and

H. R. 1346. A bill for the relief of Alaska D. Jeannette; without amendment (Rept. No. 494).

By Mr. O'DANIEL, from the Committee on Claims:

H. R. 2699. A bill for the relief of Dr. Jabez Fenton Jackson, and Mrs. Narcissa Wilmans Jackson; with an amendment (Rept. No. 495).

By Mr. CAPPER, from the Committee on Claims:

H. R. 3417. A bill for the relief of Clarence J. Spiker and Fred W. Jandrey; without amendment (Rept. No. 496).

By Mr. MORSE, from the Committee on Claims:

H. R. 1595. A bill for the relief of the Borough of Beach Haven, Ocean County, N. J.; without amendment (Rept. No. 497); and

H. R. 3175. A bill to confer jurisdiction upon the United States District Court for the Eastern District of South Carolina to determine the claim of Lewis E. Magwood; without amendment (Rept. No. 498).

By Mr. JOHNSTON of South Carolina, from the Committee on Claims:

S. 788. A bill for the relief of the estate of George J. Ross; without amendment (Rept. No. 499).

By Mr. REVERCOMB (for himself and Mr. KILGORE), from the Committee on Military Affairs:

S. Con. Res. 21. Concurrent resolution urging the War Department and the War Manpower Commission to take immediate action to assure manpower in the bituminous-coal industry adequate to attain the needed coal production, and for other purposes; without amendment (Rept. No. 501).

#### BILLS AND A JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. GEORGE:

S. 1283. A bill for the relief of the estate of Homer V. Volley; and

S. 1284. A bill for the relief of the board of trustees, Summerville Consolidated School District, Chattooga County, Ga.; to the Committee on Claims.

(Mr. MAGNUSON introduced Senate bill 1285, which was referred to the Committee on Commerce, and appears under a separate heading.)

By Mr. CAPPER:

S. J. Res. 85. Joint resolution proposing to amend the Constitution of the United States to exclude aliens in counting the whole number of persons in each State for apportionment of Representatives among the several States; to the Committee on the Judiciary.

#### NATIONAL RESEARCH FOUNDATION ACT OF 1945

Mr. MAGNUSON. Mr. President, prior to our entrance into the war this country never instituted a national mobilization of its scientific potentialities. War came and we found that basic science and applied science became an integral part of fighting this war. We learned a lesson. We mobilized quickly what scientists were available. The scientists of this country in all fields of endeavor have done an excellent job in helping to win the war and now in helping to bring it to an end.

These scientists have come to a definite realization that we should have some legislation and embark upon some program so that such a thing may not again happen. They have prepared data which I have assembled in a bill which I now ask unanimous consent to introduce for proper reference. The purpose of the bill is to keep our scientific potential in this country mobilized so that we may use it quickly when we call upon it at any time in the future for the defense of our country.

There being no objection, the bill (S. 1285) to promote the progress of science and the useful arts, to secure the national defense, to advance the national health, prosperity, and welfare, and for other purposes, introduced by Mr. MAGNUSON, was received, read twice by its title, and referred to the Committee on Commerce.

#### DECLARATION OF POLICY WITH RESPECT TO RATIFICATION OF UNITED NATIONS CHARTER

Mr. MOORE submitted the following resolution (S. Res. 158), which was re-

ferred to the Committee on Foreign Relations:

*Resolved*, That if and when the charter of the United Nations, signed by 50 nations of the world at San Francisco on the 26th day of June 1945 and submitted to the Senate of the United States by the President for ratification, shall have been ratified, it shall be the policy of the United States that all powers to be exercised by the representative of the United States on the Security Council, as established pursuant to chapter V, with respect to the use of measures set forth in articles 41 and 42 of chapter VII of the charter of the United Nations, shall be in accordance with directions first had and obtained from the President of the United States.

SEC. 2. When the President of the United States shall direct the representative of the United States on the Security Council, as established by the charter of the United Nations, to vote for the use of the measures, or any of them, set forth in articles 41 and 42 of chapter VII of the charter of the United Nations, he shall report his actions in such regard to the Congress of the United States.

SEC. 3. The policy of the United States as stated in sections 1 and 2 hereof shall be made a covenant of a treaty between the United States Government and the Security Council of the United Nations, to be concluded in accordance with article 43, chapter VII, of the charter of the United Nations.

SEC. 4. No representative of any United Nations Organization shall commit the United States Government to the expenditure or loan of any moneys, or the extension of credits, or the use of real or personal property, except military equipment and matériel when used to enforce the measures provided for in article 43 of chapter VII of the charter under the conditions herein expressed unless the Congress of the United States shall have made an appropriation specifically for such purposes, or shall have passed an act in accordance with law authorizing such action.

#### HOUSE BILLS REFERRED OR PLACED ON CALENDAR

The following bills were severally read twice by their titles and referred, or ordered to be placed on the calendar, as indicated:

H. R. 603. An act to permit the United States to be made a party defendant in certain cases, and for other purposes; to the Committee on the Judiciary.

H. R. 3111. An act to amend the act approved January 2, 1942, as amended, approved April 22, 1943, entitled "An act to provide for the prompt settlement of claims for damages occasioned by Army, Navy, and Marine Corps forces in foreign countries"; ordered to be placed on the calendar.

H. R. 3749. An act to amend the Servicemen's Readjustment Act of 1944 to provide for readjustment allowance for all veterans of World War II; to the Committee on Finance.

#### ADDRESS BY ASSOCIATE JUSTICE BLACK AT HOLLYWOOD BOWL

[Mr. HILL asked and obtained leave to have printed in the RECORD an address delivered by Hon. Hugo L. Black, Associate Justice of the Supreme Court of the United States, at Hollywood Bowl on June 22, 1945, which appears in the Appendix.]

#### ON REMOVING SUSPICION—EDITORIAL BY JOHN W. OWENS

[Mr. BARKLEY asked and obtained leave to have printed in the RECORD an editorial entitled "On Removing Suspicion," written by John W. Owens, and published in the Baltimore Sun of July 18, 1945, which appears in the Appendix.]



H. R. 3749

JULY 19 (legislative day, JULY 9), 1945

# AN ACT

1        *Be it enacted by the Senate and House of Representa-*  
2        *tives of the United States of America in Congress assembled,*  
3        That Public Law 346, Seventy-eighth Congress, be amended  
4        to read as follows:

7 TITLE I

8 CHAPTER I—HOSPITALIZATION, CLAIMS, AND  
9 PROCEDURES

10 SEC. 100. The Veterans' Administration is hereby de-  
11 clared to be an essential war agency and entitled, second only

1 to the War and Navy Departments, to priorities in personnel,  
2 equipment, supplies, and material under any laws, Executive  
3 orders, and regulations pertaining to priorities, and in ap-  
4 pointments of personnel from civil-service registers the Ad-  
5 ministrator of Veterans' Affairs is hereby granted the same  
6 authority and discretion as the War and Navy Departments  
7 and the United States Public Health Service: *Provided*, That  
8 the provisions of this section as to priorities for materials shall  
9 apply to any State institution to be built for the care or hos-  
10 pitalization of veterans.

11 SEC. 101. The Administrator of Veterans' Affairs and  
12 the Federal Board of Hospitalization are hereby authorized  
13 and directed to expedite and complete the construction of  
14 additional hospital facilities for war veterans, and to enter  
15 into agreements and contracts for the use by or transfer to  
16 the Veterans' Administration of suitable Army and Navy  
17 hospitals after termination of hostilities in the present war  
18 or after such institutions are no longer needed by the armed  
19 services; and the Administrator of Veterans' Affairs is hereby  
20 authorized and directed to establish necessary regional offices,  
21 suboffices, branch offices, contact units, or other subordinate  
22 offices in centers of population where there is no Veterans'  
23 Administration facility, or where such a facility is not readily  
24 available or accessible: *Provided*, That there is hereby author-



1 ized to be appropriated the sum of \$500,000,000 for the con-  
2 struction of additional hospital facilities.

3 SEC. 102. The Administrator of Veterans' Affairs and  
4 the Secretary of War and Secretary of the Navy are hereby  
5 granted authority to enter into agreements and contracts for  
6 the mutual use or exchange of use of hospital and domiciliary  
7 facilities, and such supplies, equipment, and material as may  
8 be needed to operate properly such facilities, or for the trans-  
9 fer, without reimbursement of appropriations, of facilities, sup-  
10 plies, equipment, or material necessary and proper for author-  
11 ized care for veterans, except that at no time shall the Ad-  
12 ministrator of Veterans' Affairs enter into any agreement  
13 which will result in a permanent reduction of Veterans' Ad-  
14 ministration hospital and domiciliary beds below the number  
15 now established or approved, plus the estimated number re-  
16 quired to meet the load of eligibles under laws administered  
17 by the Veterans' Administration, or in any way subordinate  
18 or transfer the operation of the Veterans' Administration to  
19 any other agency of the Government.

20 Nothing in the Selective Training and Service Act of  
21 1940, as amended, or any other Act, shall be construed  
22 to prevent the transfer or detail of any commissioned, ap-  
23 pointed or enlisted personnel from the armed forces to the  
24 Veterans' Administration subject to agreements between the

1 Secretary of War or the Secretary of the Navy and the Ad-  
2 ministrator of Veterans' Affairs: *Provided*, That no such  
3 detail shall be made or extend beyond six months after the  
4 termination of the war.

5 SEC. 103. The Administrator of Veterans' Affairs shall  
6 have authority to place officials and employees designated by  
7 him in such Army and Navy installations as may be deemed  
8 advisable for the purpose of adjudicating disability claims of,  
9 and giving aid and advice to, members of the Army and  
10 Navy who are about to be discharged or released from active  
11 service.

12 SEC. 104. No person shall be discharged or released from  
13 active duty in the armed forces until his certificate of dis-  
14 charge or release from active duty and final pay, or a sub-  
15 stantial portion thereof, are ready for delivery to him or to  
16 his next of kin or legal representative; and no person shall  
17 be discharged or released from active service on account of  
18 disability until and unless he has executed a claim for com-  
19 pensation, pension, or hospitalization, to be filed with the  
20 Veterans' Administration or has signed a statement that  
21 he has had explained to him the right to file such claim:  
22 *Provided*, That this section shall not preclude immediate  
23 transfer to a veterans' facility for necessary hospital care, nor  
24 preclude the discharge of any person who refuses to sign  
25 such claim or statement: *And provided further*, That refusal



1 or failure to file a claim shall be without prejudice to any  
2 right the veteran may subsequently assert.

3 Any veteran entitled to a prosthetic appliance shall  
4 be furnished such fitting and training, including institutional  
5 training in the use of such appliance as may be necessary,  
6 whether in a Veterans' Administration facility, other train-  
7 ing institution, or by out-patient treatment, including such  
8 service under contract and including necessary travel expenses  
9 to and from their homes to such hospital or training insti-  
10 tution.

11 The Administrator of Veterans' Affairs may procure  
12 any and all items mentioned herein, including necessary serv-  
13 ices required in the fitting, supplying, and training in use of  
14 such items by purchase, manufacture, contract, or in such  
15 other manner as the Administrator may determine to be  
16 proper without regard to any other provision of law.

17 SEC. 105. No person in the armed forces shall be re-  
18 quired to sign a statement of any nature relating to the  
19 origin, incurrence, or aggravation of any disease or injury  
20 he may have, and any such statement against his own interest  
21 signed at any time, shall be null and void and of no force  
22 and effect.

23 CHAPTER II—AID BY VETERANS' ORGANIZATIONS

24 SEC. 200. (a) That upon certification to the Secretary  
25 of War or Secretary of the Navy by the Administrator of

1 Veterans' Affairs of paid full time accredited representatives  
2 of the veterans' organizations specified in section 200 of the  
3 Act of June 29, 1936 (Public Law Numbered 844, Seventy-  
4 fourth Congress), and other such national organizations rec-  
5 ognized by the Administrator of Veterans' Affairs thereunder  
6 in the presentation of claims under laws administered by the  
7 Veterans' Administration, the Secretary of War and Secre-  
8 tary of the Navy are hereby authorized and directed to permit  
9 the functioning, in accordance with regulations prescribed  
10 pursuant to subsection (b) of this section, of such accredited  
11 representatives in military or naval installations on shore from  
12 which persons are discharged or released from the active mili-  
13 tary or naval service: *Provided*, That nothing in this section  
14 shall operate to affect measures of military security now in  
15 effect or which may hereafter be placed in effect, nor to  
16 prejudice the right of the American Red Cross to recognition  
17 under existing statutes.

18 (b) The necessary regulations shall be promulgated by  
19 the Secretary of War and the Secretary of the Navy jointly  
20 with the Administrator of Veterans' Affairs to accomplish  
21 the purpose of this section, and in the preparation of such  
22 regulations the national officer of each of such veterans'  
23 organizations who is responsible for claims and rehabilitation  
24 activities shall be consulted. The commanding officer of each  
25 such military or naval installation shall cooperate fully with



1 such authorized representatives in the providing of available  
2 space and equipment for such representatives.

3 CHAPTER III—REVIEWING AUTHORITY

4 SEC. 300. The discharge or dismissal by reason of the  
5 sentence of a general court martial of any person from the  
6 military or naval forces, or the discharge of any such per-  
7 son on the ground that he was a conscientious objector who  
8 refused to perform military duty or refused to wear the  
9 uniform or otherwise to comply with lawful orders of  
10 competent military authority, or as a deserter, or of an offi-  
11 cer by the acceptance of his resignation for the good of  
12 the service, shall bar all rights of such person, based upon  
13 the period of service from which he is so discharged or  
14 dismissed, under any laws administered by the Veterans'  
15 Administration: *Provided*, That in the case of any such  
16 person, if it be established to the satisfaction of the Ad-  
17 ministrator that at the time of the commission of the of-  
18 fense such person was insane, he shall not be precluded from  
19 benefits to which he is otherwise entitled under the laws  
20 administered by the Veterans' Administration: *And pro-*  
21 *vided further*, That this section shall not apply to any war  
22 risk, Government (converted), or national service life-  
23 insurance policy.

24 SEC. 301. The Secretary of War and the Secretary of  
25 the Navy, after conference with the Administrator of Vet-

1   erans' Affairs, are authorized and directed to establish in the  
2   War and Navy Departments, respectively, boards of review  
3   composed of five members each, whose duties shall be to  
4   review, on their own motion or upon the request of a former  
5   officer or enlisted man or woman or, if deceased, by the sur-  
6   viving spouse, next of kin, or legal representative, the type  
7   and nature of his discharge or dismissal, except a discharge  
8   or dismissal by reason of the sentence of a general court  
9   martial. Such review shall be based upon all available  
10  records of the service department relating to the person  
11  requesting such review, and such other evidence as may be  
12  presented by such person. Witnesses shall be permitted to  
13  present testimony either in person or by affidavit and the  
14  person requesting review shall be allowed to appear before  
15  such board in person or by counsel: *Provided*, That the term  
16  “counsel” as used in this section shall be construed to in-  
17  clude, among others, accredited representatives of veterans'  
18  organizations recognized by the Veterans' Administration  
19  under section 200 of the Act of June 29, 1936 (Public Law  
20  Numbered 844, Seventy-fourth Congress). Such board shall  
21  have authority, except in the case of a discharge or dismissal  
22  by reason of the sentence of a general court martial, to  
23  change, correct, or modify any discharge or dismissal, and to  
24  issue a new discharge in accord with the facts presented to  
25  the board. The Articles of War and the Articles for the



1 Government of the Navy are hereby amended to authorize  
2 the Secretary of War and the Secretary of the Navy to  
3 establish such boards of review, the findings thereof to be  
4 final subject only to review by the Secretary of War or the  
5 Secretary of the Navy, respectively: *Provided*, That no  
6 request for review by such board of a discharge or dismissal  
7 under the provisions of this section shall be valid unless  
8 filed within fifteen years after such discharge or dismissal  
9 or within fifteen years after the effective date of this Act  
10 whichever be the later.

11 SEC. 302. (a) The Secretary of War, the Secretary of  
12 the Navy, and the Secretary of the Treasury are authorized  
13 and directed to establish, from time to time, boards of review  
14 composed of five commissioned officers, two of whom shall  
15 be selected from the Medical Corps of the Army or Navy,  
16 or from the Public Health Service, as the case may be. It  
17 shall be the duty of any such board to review, at the request  
18 of any officer retired or released to inactive service, without  
19 pay, for physical disability pursuant to the decision of a retir-  
20 ing board or board of medical survey, the findings and  
21 decision of such retiring board or board of medical survey.  
22 Such review shall be based upon all available service records  
23 relating to the officer requesting such review, and such  
24 other evidence as may be presented by such officer. Wit-

1 nesses shall be permitted to present testimony either in person  
2 or by affidavit, and the officer requesting review shall be  
3 allowed to appear before such board of review in person or by  
4 counsel. In carrying out its duties under this section such  
5 board of review shall have the same powers as exercised by, or  
6 vested in, the retiring board whose findings and decision are  
7 being reviewed. The proceedings and decision of each such  
8 board of review affirming or reversing the decision of the  
9 retiring board shall be transmitted to the Secretary of War,  
10 the Secretary of the Navy, or the Secretary of the Treasury,  
11 as the case may be, and shall be laid by him before the  
12 President for his approval or disapproval and orders in the  
13 case.

14 (b) No request for review under this section shall be  
15 valid unless filed within fifteen years after the date of retire-  
16 ment for disability or after the effective date of this Act,  
17 whichever is the later.

18 (c) As used in this section—

19 (1) the term “officer” means any officer subject to  
20 the laws granting retirement for active service in the  
21 Army, Navy, Marine Corps, or Coast Guard, or any of  
22 their respective components;

23 (2) the term “counsel” shall have the same mean-  
24 ing as when used in section 301 of this Act.



## TITLE II

## CHAPTER IV—EDUCATION OF VETERANS

SEC. 400. (a) Subsection (f) of section 1, title I, Public Law Numbered 2, Seventy-third Congress, added by the Act of March 24, 1943 (Public Law Numbered 16, Seventy-eighth Congress), is hereby amended to read as follows:

“(f) Any person who served in the active military or naval forces on or after September 16, 1940, and prior to the termination of hostilities in the present war, shall be entitled to vocational rehabilitation subject to the provisions and limitations of Veterans Regulation Numbered 1 (a), as amended, part VII, or to education or training subject to the provisions and limitations of part VIII.”

(b) Veterans Regulation Numbered 1 (a), is hereby amended by adding a new part VIII, as follows:

## “PART VIII

“1. Any person who served in the active military or naval service on or after September 16, 1940, and prior to the termination of the present war, and who shall have been discharged or released therefrom under conditions other than dishonorable, and whose education or training was impeded, delayed, interrupted, or interfered with by reason of his entrance into the service, or who desires a refresher

1 or retraining course, and who either shall have served ninety  
2 days or more, exclusive of any period he was assigned for  
3 a course of education or training under the Army specialized  
4 training program or the Navy college training program,  
5 which course was a continuation of his civilian course and  
6 was pursued to completion, or as a cadet or midshipman  
7 at one of the service academies, or shall have been dis-  
8 charged or released from active service by reason of an  
9 actual service-incurred injury or disability, shall be eligible  
10 for and entitled to receive education or training under this  
11 part: *Provided*, That such course shall be initiated not later  
12 than four years after either the date of his discharge or  
13 the termination of the present war, whichever is the later:  
14 *Provided further*, That no such education or training shall  
15 be afforded beyond nine years after the termination of the  
16 present war: *And provided further*, That any such person  
17 who was not over 25 years of age at the time he entered  
18 the service shall be deemed to have had his education or  
19 training impeded, delayed, interrupted, or interfered with.

20 "2. Any such eligible person shall be entitled to educa-  
21 tion or training, or a refresher or retraining course, at an  
22 approved educational or training institution, for a period  
23 of one year (or the equivalent thereof in continuous part-time  
24 study), or for such lesser time as may be required for the  
25 course of instruction chosen by him. Upon satisfactory com-



1 pletion of such course of education or training, according to  
2 the regularly prescribed standards and practices of the insti-  
3 tutions, except a refresher or retraining course, such person  
4 shall be entitled to an additional period or periods of educa-  
5 tion or training, not to exceed the time such person was in  
6 the active service on or after September 16, 1940, and  
7 before the termination of the war, exclusive of any period  
8 he was assigned for a course of education or training under  
9 the Army specialized training program or the Navy college  
10 training program, which course was a continuation of his  
11 civilian course and was pursued to completion, or as a cadet  
12 or midshipman at one of the service academies, but in no  
13 event shall the total period of education or training exceed  
14 four years: *Provided*, That his work continues to be satis-  
15 factory throughout the period, according to the regularly  
16 prescribed standards and practices of the institution: *Pro-*  
17 *vided, however*, That wherever the additional period of in-  
18 struction ends during a quarter or semester and after a major  
19 part of such quarter or semester has expired, such period of  
20 instruction shall be extended to the termination of such  
21 unexpired quarter or semester.

22 "3. (a) Such person shall be eligible for and entitled to  
23 such course of education or training as he may elect, and at  
24 any approved educational or training institution at which he  
25 chooses to enroll, whether or not located in the State in which

1 he resides, which will accept or retain him as a student or  
2 trainee in any field or branch of knowledge which such  
3 institution finds him qualified to undertake or pursue: *Pro-*  
4 *vided*, That, for reasons satisfactory to the Administrator,  
5 he may change a course of instruction: *And provided further*,  
6 That any such course of education or training may be dis-  
7 continued at any time, if it is found by the Administrator  
8 that, according to the regularly prescribed standards and  
9 practices of the institution, the conduct or progress of such  
10 person is unsatisfactory.

11 “(b) Any such eligible person may apply for a short,  
12 intensive, postgraduate or vocational training course of less  
13 than 30 weeks: *Provided*, That the Administrator shall  
14 have the authority to contract with approved institutions  
15 for such courses if he finds that the agreed cost of such  
16 courses is reasonable and fair: *Provided further*, That the  
17 limitation of paragraph 5 shall not prevent the payment of  
18 such agreed rates, but there shall be charged against the  
19 veteran’s period of eligibility the proportion of an ordinary  
20 school year which the cost of the course bears to \$500.

21 “4. From time to time the Administrator shall secure  
22 from the appropriate agency of each State a list of the edu-  
23 cational and training institutions (including industrial estab-  
24 lishments), within such jurisdiction, which are qualified and  
25 equipped to furnish education or training (including ap-



1 prenticeship and refresher or retraining training), which in-  
2 stitutions, together with such additional ones as may be  
3 recognized and approved by the Administrator, shall be  
4 deemed qualified and approved to furnish education or  
5 training to such persons as shall enroll under this part: *Pro-*  
6 *vided*, That wherever there are established State apprentice-  
7 ship agencies expressly charged by State laws to administer  
8 apprentice training, whenever possible, the Administrator  
9 shall utilize such existing facilities and services in training  
10 on the job when such training is of one year's duration or  
11 more.

12 "5. The Administrator shall pay to the educational or  
13 training institution, for each person enrolled in full time, part  
14 time, or correspondence course of education or training, the  
15 customary cost of tuition, and such laboratory, library, health,  
16 infirmary, and other similar fees as are customarily charged,  
17 and may pay for books, supplies, equipment, and other  
18 necessary expenses, exclusive of board, lodging, other living  
19 expenses, and travel, as are generally required for the suc-  
20 cessful pursuit and completion of the course by other students  
21 in the institution: *Provided*, That in no event shall such  
22 payments, with respect to any person, exceed \$500 for an  
23 ordinary school year: *Provided further*, That no payments  
24 shall be made to institutions, business or other estab-  
25 lishments furnishing apprentice training on the job: *And*

1 *provided further*, That if any such institution has no estab-  
2 lished tuition fee, or if its established tuition fee shall be found  
3 by the Administrator to be inadequate compensation to such  
4 institution for furnishing such education or training, he is  
5 authorized to provide for the payment, with respect to any  
6 such person, of such fair and reasonable compensation as  
7 will not exceed \$500 for an ordinary school year.

8       “6. While enrolled in and pursuing a course other  
9 than a course in a correspondence school under this part,  
10 such person, upon application to the Administrator, shall  
11 be paid a subsistence allowance of \$60 per month, if  
12 without a dependent or dependents, or \$85 per month, if  
13 he has a dependent or dependents, including regular holidays  
14 and leave not exceeding thirty days in a calendar year.  
15 Such person attending a course on a part-time basis, and  
16 such person receiving compensation for productive labor  
17 performed as part of their apprentice or other training on  
18 the job at institutions, business or other establishments, shall  
19 be entitled to receive such lesser sums, if any, as subsistence  
20 or dependency allowances, as may be determined by the  
21 Administrator: *Provided*, That any such person eligible  
22 under this part, and within the limitations thereof, may pursue  
23 such full time or part-time course or courses as he may elect,  
24 without subsistence allowance.

25       “7. Any such person eligible for the benefits of this



1 part, who is also eligible for the benefit of part VII, may  
2 elect which benefit he desires: *Provided*, That, in the event  
3 of such election, subsistence allowance hereunder shall not  
4 exceed the amount of additional pension payable for training  
5 under said part VII.

6 “8. No department, agency, or officer of the United  
7 States, in carrying out the provisions of this part, shall exer-  
8 cise any supervision or control, whatsoever, over any State  
9 educational agency, or State apprenticeship agency, or any  
10 educational or training institution: *Provided*, That nothing  
11 in this section shall be deemed to prevent any department,  
12 agency, or officer of the United States from exercising any  
13 supervision or control which such department, agency, or  
14 officer is authorized, by existing provisions of law, to exer-  
15 cise over any Federal educational or training institution, or  
16 to prevent the furnishing of education or training under  
17 this part in any institution over which supervision or control  
18 is exercised by such other department, agency, or officer  
19 under authority of existing provisions of law.

20 “9. The Administrator of Veterans' Affairs is authorized  
21 and empowered to administer this title, and, insofar as he  
22 deems practicable, shall utilize existing facilities and services  
23 of Federal and State departments and agencies on the basis  
24 of mutual agreements with them. Consistent with and sub-

1 ject to the provisions and limitations set forth in this title,  
2 the Administrator shall, from time to time, prescribe and  
3 promulgate such rules and regulations as may be necessary  
4 to carry out its purposes and provisions.

5       “10. The Administrator may arrange for educational  
6 and vocational guidance to persons eligible for education and  
7 training under this part. At such intervals as he deems  
8 necessary, he shall make available information respecting  
9 the need for general education and for training personnel in  
10 the various crafts, trades, and professions: *Provided*, That  
11 facilities of other Federal agencies collecting such informa-  
12 tion shall be utilized to the extent he deems practicable.

13       “11. As used in this part, the term ‘educational or  
14 training institutions’ shall include all public or private ele-  
15 mentary, secondary, and other schools furnishing education  
16 for adults, business schools and colleges, correspondence  
17 schools, scientific and technical institutions, colleges, voca-  
18 tional schools, junior colleges, teachers colleges, normal  
19 schools, professional schools, universities, and other educa-  
20 tional institutions, and shall also include business or other  
21 establishments providing apprentice or other training on  
22 the job, including those under the supervision of an ap-  
23 proved college or university or any State department of  
24 education, or any State apprenticeship agency or State  
25 board of vocational education, or any State apprenticeship



1 council or the Federal Apprentice Training Service  
2 established in accordance with Public, Numbered 308, Sev-  
3 enty-fifth Congress, or any agency in the executive branch  
4 of the Federal Government authorized under other laws to  
5 supervise such training.”

6 “12. The Government shall pay for these correspondence  
7 courses quarterly as the course is completed.

8 “13. No correspondence school shall be approved unless  
9 it was in existence prior to the date of this Act.

10 SEC. 401. Section 3, Public Law Numbered 16,  
11 Seventy-eighth Congress, is hereby amended to read as  
12 follows:

13 “SEC. 3. The appropriation for the Veterans’ Adminis-  
14 tration, ‘Salaries and expenses, medical and hospital, and  
15 compensation and pensions’, shall be available for necessary  
16 expenses under part VII, as amended, or part VIII of  
17 Veterans Regulation Numbered 1 (a), and there is hereby  
18 authorized, to be appropriated such additional amount or  
19 amounts as may be necessary to accomplish the purposes  
20 thereof. Such expenses may include, subject to regulations  
21 issued by the Administrator and in addition to medical care,  
22 treatment, hospitalization, and prosthesis, otherwise author-  
23 ized, such care, treatment, and supplies as may be necessary  
24 to accomplish the purposes of part VII, as amended, or  
25 part VIII of Veterans Regulation Numbered 1 (a).

1        SEC. 402. Public Law Numbered 16, Seventy-eighth  
2 Congress, is hereby amended by adding thereto a new  
3 section 4 to read as follows:

4        “SEC. 4. Any books, supplies, or equipment furnished  
5 a trainee or student under part VII or part VIII of Veterans  
6 Regulation Numbered 1 (a) shall be deemed released to  
7 him: *Provided*, That if he fail, because of fault on his part  
8 to complete the course of training or education afforded  
9 thereunder, he may be required, in the discretion of the  
10 Administrator, to return any or all of such books, supplies,  
11 or equipment not actually expended or to repay the reason-  
12 able value thereof.”

13        SEC. 403. Paragraph 1, part VII, Veterans Regulation  
14 Numbered 1 (a) (Public Law Numbered 16, Seventy-  
15 eighth Congress), is hereby amended by inserting after the  
16 word “time” the words “on or” and deleting the date  
17 “December 6, 1941” and substituting therefor the date  
18 “September 16, 1940”.

19        TITLE III—LOANS FOR THE PURCHASE OR CON-  
20        STRUCTION OF HOMES, FARMS, AND BUSI-  
21        NESS PROPERTY

22        CHAPTER V—GENERAL PROVISIONS FOR LOANS

23        SEC. 500. (a) Any person who shall have served in  
24 active military or naval service of the United States at any  
25 time on or after September 16, 1940, and prior to the



1 termination of the present war, and who shall have been  
2 discharged or released therefrom under conditions other  
3 than dishonorable after active service of ninety days or  
4 more, or by reason of an injury or disability incurred in  
5 service in line of duty, shall be eligible for benefits of this  
6 title. Any such veteran may apply within six years after  
7 separation from the military or naval forces, or six years  
8 after termination of the war, whichever is the later date,  
9 but in no event more than eight years after the termination  
10 of the war, to any of the established lending agencies here-  
11 inafter set forth for a loan for the purposes set forth in the  
12 title in any amount that may be agreed upon between the  
13 lender and the veteran, and when such a loan is made by  
14 the lender the lender is automatically guaranteed 50 per  
15 centum of the loan by the Administrator of Veterans' Affairs  
16 and this Act is the guaranty: *Provided*, That the aggregate  
17 amount guaranteed shall not exceed \$2,000: *Provided*  
18 *further*, That no loan shall be negotiated until thirty days  
19 after the date of the veteran's discharge.

20 (b) Interest for the first year on that part of the loan  
21 guaranteed shall be paid by the Administrator out of avail-  
22 able appropriations.

23 (c) The liability under the guaranty, within the lim-  
24 itations of this title, shall decrease or increase pro rata  
25 with any decrease or increase of the amount of the unpaid

1 portion of the obligation: *Provided*, That loans guaranteed  
2 shall bear interest at a rate not exceeding 4 per centum per  
3 annum and shall be payable in full in not more than twenty  
4 years.

5 CERTIFICATE OF ELIGIBILITY

6 SEC. 501. (a) An honorable discharge shall be the  
7 veteran's certificate of eligibility to apply for a guaranteed  
8 loan. All veterans who have a discharge other than honor-  
9 able or dishonorable shall receive from the Administrator upon  
10 request after discharge a certificate of eligibility. Upon the  
11 making of a loan as provided herein the lender shall en-  
12 dorse on the back of the honorable discharge or certificate,  
13 in lieu of discharge or certificate of eligibility, the date and  
14 amount of the loan and shall also forthwith transmit to the  
15 Administrator a statement setting forth the full name and  
16 serial number of the veteran, amount and terms of the loan,  
17 and the legal description of the property. No approval of  
18 the loan shall be required from the Administrator. Loans  
19 may be made by any Federal Reserve bank, National bank,  
20 State bank, private bank, building and loan association,  
21 insurance company, or mortgage and loan company estab-  
22 lished prior to the date of this Act, and any other lending  
23 institution or any person approved by the Administrator.

24 (b) All national banks wherever located and all other  
25 banks and trust companies located in the District of Columbia



1 and other Territories and possessions of the United States,  
2 without regard to the limitations and restrictions of any other  
3 statute or ruling of the Federal Reserve Board, are authorized  
4 to make any loans guaranteed under the provisions of the  
5 Servicemen's Readjustment Act of 1944, as the same is now  
6 or may hereby be amended.

7 PURCHASE OR CONSTRUCTION OF HOMES

8 SEC. 502. (a) Any application made by a veteran  
9 under this title for a loan to be used in purchasing resi-  
10 dential property or in constructing a dwelling on un-  
11 improved property owned by him to be occupied as his home  
12 may be approved if the lender finds—

13 (1) that the proceeds of such loans will be used  
14 for payment for such property to be purchased or con-  
15 structed by the veteran;

16 (2) that the contemplated terms of payment re-  
17 quired in any mortgage to be given in part payment  
18 of the purchase price or the construction cost bear a  
19 proper relation to the veteran's present and anticipated  
20 income and expense; and that the nature and condition  
21 of the property is such as to be suitable for dwelling  
22 purposes; and

23 (3) that the purchase price paid or to be paid  
24 by the veteran for such property or the construction  
25 cost, including the value of the unimproved lot, does

1       not exceed the reasonable value thereof as determined  
2       by the lender's appraisal.

3       (b) Any application for a loan under this section for  
4 the purpose of making repairs, alterations, or improvements  
5 in, or paying delinquent indebtedness, taxes, or special as-  
6 sessments on residential property owned by the veteran and  
7 used by him as his home, may be approved by the lender  
8 if the proceeds of such loan will be used for such purpose or  
9 purposes.

10       (c) No first mortgage shall be ineligible for insurance  
11 under the National Housing Act, as amended, by reason  
12 of any loan guaranteed under this title, or by reason of any  
13 secondary lien upon the property involved securing such  
14 loan.

15               PURCHASE OF FARMS AND FARM EQUIPMENT

16       SEC. 503. Any application made under this title for the  
17 guaranty of a loan to be used in purchasing any land, building,  
18 livestock, equipment, machinery, or implements, or in re-  
19 pairing, altering, or improving any buildings or equipment,  
20 to be used in farming operations conducted by the applicant,  
21 may be approved if the lender finds—

22               (1) that the proceeds of such loan will be used in  
23 payment for real or personal property purchased or to  
24 be purchased by the veteran, or for repairing, altering, or



1 improving any buildings or equipment, to be used in bona  
2 fide farming operations conducted by him;

3 (2) that such property will be useful in and reason-  
4 ably necessary for efficiently conducting such operations;

5 (3) that the ability and experience of the veteran,  
6 and nature of the proposed farming operations to be con-  
7 ducted by him, are such that there is a reasonable likeli-  
8 hood that such operations will be successful; and

9 (4) that the purchase price paid or to be paid by  
10 the veteran for such property does not exceed the reason-  
11 able value thereof as determined by the lender's appraisal.

12 PURCHASE OF BUSINESS PROPERTY

13 SEC. 504. Any application made under this title for the  
14 guaranty of a loan to be used in purchasing any business,  
15 land, buildings, supplies, equipment, machinery, or tools, to  
16 be used by the applicant in pursuing a gainful occupation  
17 (other than farming) may be approved if the lender finds—

18 (1) that the proceeds of such loan will be used for  
19 payment for real or personal property purchased or  
20 to be purchased by the veteran and used by him in  
21 the bona fide pursuit of such gainful occupation;

22 (2) that such property will be useful in and  
23 reasonably necessary for the efficient and successful  
24 pursuit of such occupation;

25 (3) that the ability and experience of the veteran,

1       and the conditions under which he proposes to pursue  
2       such occupation, are such that there is a reasonable  
3       likelihood that he will be successful in the pursuit of  
4       such occupation; and

5               (4) that the purchase price paid or to be paid by  
6       the veteran for such property does not exceed the  
7       reasonable value thereof as determined by the lender's  
8       appraisal.

9       SEC. 505. In the event the veteran defaults in the pay-  
10      ment of his loan and after suit or foreclosure and sale the  
11      deficiency is determined, then upon notification from the  
12      lender, the Administrator of Veterans' Affairs shall pay  
13      to the lender its guaranty not in excess of \$2,000 and not  
14      in excess of the deficiency, and be subrogated to the rights  
15      of the lender to the extent of the amount paid on the  
16      guaranty: *Provided*, That prior to suit or foreclosure the  
17      lender shall notify the Administrator, and within thirty days  
18      thereafter the Administrator may, at his option, pay the  
19      lender the unpaid balance of the loan plus accrued  
20      interest and receive an assignment of the loan and security  
21      and thereafter sue or foreclose in the name of the Veterans'  
22      Administration.

## 23                                   TITLE IV

### 24                   CHAPTER VI—EMPLOYMENT OF VETERANS

25       SEC. 600. (a) In the enactment of the provisions of



1 this title Congress declares as its intent and purpose that  
2 there shall be an effective job counseling and employment  
3 placement service for veterans, and that, to this end, policies  
4 shall be promulgated and administered, so as to provide for  
5 them the maximum of job opportunity in the field of gain-  
6 ful employment. For the purpose there is hereby created  
7 to cooperate with and assist the United States Employment  
8 Service, as established by the provisions of the Act of June  
9 6, 1933, a Veterans' Placement Service Board, which shall  
10 consist of the Administrator of Veterans' Affairs, as Chair-  
11 man, the Director of the National Selective Service System,  
12 and the Administrator of the Federal Security Agency, or  
13 whoever may have the responsibility of administering the  
14 functions of the United States Employment Service. The  
15 Board shall determine all matters of policy relating to the  
16 administration of the Veterans' Employment Service of the  
17 United States Employment Service.

18 (b) The Chairman of the Board shall have direct  
19 authority and responsibility for carrying out its policies  
20 through the veterans' employment representatives in the  
21 several States or through persons engaged in activities auth-  
22 orized by subsection (g) of section 8 of the Selective Serv-  
23 ice Act of 1940 (Public Law 783, Seventy-sixth Congress,  
24 approved September 16, 1940, as amended (U. S. C.,  
25 title 50, sec. 308)). The Chairman may delegate such

1 authority to an executive secretary who shall be appointed  
2 by him and who shall thereupon be the Chief of the Veter-  
3 ans' Employment Service of the United States Employment  
4 Service.

5 (c) The public records of the Veterans' Personnel Divi-  
6 sion, National Selective Service System, and the Veterans'  
7 Employment Service of the United States Employment  
8 Service shall be available to the Board.

9 SEC. 601. The United States Employment Service shall  
10 assign to each of the States a veterans' employment repre-  
11 sentative, who shall be a veteran of the wars of the United  
12 States separated from active service under honorable condi-  
13 tions, who at the time of appointment shall have been a bona  
14 fide resident of the State for at least two years, and who shall  
15 be appointed, subject to the approval of the Board, in accord-  
16 ance with the civil-service laws, and whose compensation  
17 shall be fixed in accordance with the Classification Act of  
18 1923, as amended. Each such veterans' employment repre-  
19 sentative shall be attached to the staff of the public employ-  
20 ment service in the State to which he has been assigned. He  
21 shall be administratively responsible to the Board, through  
22 its executive secretary, for the execution of the Board's vet-  
23 erans' placement policies through the public employment  
24 service in the State. In cooperation with the public employ-  
25 ment service staff in the State, he shall—



1           (a) be functionally responsible for the supervision  
2 of the registration of veterans in local employment offices  
3 for suitable types of employment and for placement of  
4 veterans in employment;

5           (b) assist in securing and maintaining current in-  
6 formation as to the various types of available employ-  
7 ment in public works and private industry or business;

8           (c) promote the interest of employers in employing  
9 veterans;

10          (d) maintain regular contact with employers and  
11 veterans' organizations with a view of keeping em-  
12 ployers advised of veterans available for employment  
13 and veterans advised of opportunities for employment;  
14 and

15          (e) assist in every possible way in improving work-  
16 ing conditions and the advancement of employment of  
17 veterans.

18       SEC. 602. Where deemed necessary by the Board, there  
19 shall be assigned by the administrative head of the employ-  
20 ment service in the State one or more employees, preferably  
21 veterans, of the staffs of local employment service offices,  
22 whose services shall be primarily devoted to discharging  
23 the duties prescribed for the veterans' employment repre-  
24 sentative.

25       SEC. 603. All Federal agencies shall furnish the Board

1 such records, statistics, or information as may be deemed  
2 necessary or appropriate in administering the provisions of  
3 this title, and shall otherwise cooperate with the Board in  
4 providing continuous employment opportunities for veterans.

5 SEC. 604. The Federal agency administering the United  
6 States Employment Service shall maintain that Service as an  
7 operating entity and, during the period of its administration,  
8 shall effectuate the provisions of this title.

9 SEC. 605. (a) The Board through its executive secre-  
10 tary shall estimate the funds necessary for the proper and  
11 efficient administration of this title; such estimated sums shall  
12 include the annual amounts necessary for salaries, rents,  
13 printing and binding, travel, and communications. Sums  
14 thus estimated shall be included as a special item in the an-  
15 nual budget of the United States Employment Service. Any  
16 funds appropriated pursuant to this special item as contained  
17 in the budget of the United States Employment Service shall  
18 not be available for any purpose other than that for which  
19 they were appropriated, except with the approval of the  
20 Board.

21 (b) The War Manpower Commission shall from its  
22 current appropriation allocate and make available sufficient  
23 funds to carry out the provisions of this title during the  
24 current fiscal year.

25 SEC. 606. The term "United States Employment Serv-



1 ice" as used in this title means that bureau created by the  
2 provisions of the Act of June 6, 1933, or such successor  
3 agencies as from time to time shall perform its functions and  
4 duties, as now performed by the War Manpower Commission.

5 SEC. 607. The term "veteran" as used in this title shall  
6 mean a person who served in the active service of the armed  
7 forces during a period of war in which the United States  
8 has been, or is, engaged, and who has been discharged or  
9 released therefrom under conditions other than dishonorable.

## 10 TITLE V

### 11 CHAPTER VII—READJUSTMENT ALLOWANCES FOR 12 FORMER MEMBERS OF THE ARMED FORCES WHO 13 ARE UNEMPLOYED

14 SEC. 700. (a) Any person who shall have served in  
15 the active military or naval service of the United States at  
16 any time after September 16, 1940, and prior to the ter-  
17 mination of the present war, and who shall have been  
18 discharged or released from active service under conditions  
19 other than dishonorable, after active service of ninety days  
20 or more, or by reason of an injury or disability incurred in  
21 service in line of duty, shall be entitled, in accordance with  
22 the provisions of this title and regulations issued by the  
23 Administrator of Veterans' Affairs pursuant thereto, to re-  
24 ceive a readjustment allowance as provided herein for each  
25 week of unemployment, not to exceed a total of fifty-two

1 weeks, which (1) begins after the first Sunday of the third  
2 calendar month after the date of enactment hereof, and  
3 (2) occurs not later than two years after discharge or re-  
4 lease or the termination of the war, whichever is the later  
5 date: *Provided*, That no such allowance shall be paid for  
6 any period for which he receives increased pension under  
7 part VII of Veterans Regulation 1 (a) or a subsistence  
8 allowance under part VIII of such regulation: *Provided*  
9 *further*, That no readjustment allowance shall be payable  
10 for any week commencing more than five years after the  
11 termination of hostilities in the present war.

12 (b) Such person shall be deemed eligible to receive an  
13 allowance for any week of unemployment if claim is made  
14 for such allowance and the Administrator finds with respect  
15 to such week that—

16 (1) the person is residing in the United States at  
17 the time of such claim;

18 (2) the person is completely unemployed, having  
19 performed no service and received no wages, or is par-  
20 tially unemployed in that services have been performed  
21 for less than a full workweek and the wages for the week  
22 are less than the allowance under this title plus \$3;

23 (3) the person is registered with and continues to  
24 report to a public employment office, in accordance with  
25 its regulations;



(4) the person is able to work and available for suitable work: *Provided*, That no claimant shall be considered ineligible in any period of continuous unemployment for failure to comply with the provisions of this subparagraph if such failure is due to an illness or disability which occurs after the commencement of such period.

#### CHAPTER VIII—DISQUALIFICATIONS

SEC. 800. (a) Notwithstanding the provisions of section 700, a claimant shall be disqualified from receiving an allowance if—

(1) he leaves suitable work voluntarily, without good cause, or is suspended or discharged for misconduct in the course of employment;

(2) he, without good cause, fails to apply for suitable work to which he has been referred by a public employment office, or to accept suitable work when offered him; or

(3) he, without good cause, does not attend an available free training course as required by regulations issued pursuant to the provisions of this title.

(b) Notwithstanding the provisions of section 700, a claimant shall also be disqualified from receiving an allowance for any week with respect to which it is found that his unemployment is due to a stoppage of work which exists

1 because of a labor dispute at the factory, establishment, or  
2 other premises at which he is or was last employed: *Pro-*  
3 *vided*, That this subsection shall not apply if it is shown  
4 that—

5 (1) he is not participating in or directly interested  
6 in the labor dispute which causes the stoppage of work;  
7 and

8 (2) he does not belong to a grade or class of work-  
9 ers of which, immediately before the commencement  
10 of the stoppage there were members employed at the  
11 premises at which the stoppage occurs, any of whom are  
12 participating in or directly interested in the dispute:  
13 *Provided, however*, That if in any case separate branches  
14 of work, which are commonly conducted as separate  
15 business in separate premises, are conducted in separate  
16 departments of the same premises, each such department  
17 shall, for the purposes of this subsection, be deemed to be  
18 a separate factory, establishment, or other premises.

19 (c) (1) If a claimant is disqualified under the provisions  
20 of subsection (a) of this section, he shall be disqualified to  
21 receive any readjustment allowance for the week in which  
22 the cause of his disqualification occurred and for not more  
23 than four immediately following weeks.

24 (2) In addition to the disqualification prescribed in  
25 paragraph (1) above, the Administrator may, in cases of



1 successive disqualifications under the provisions of subsection  
2 (a) of this section, extend the period of disqualification for  
3 such additional period as the Administrator may prescribe,  
4 but not to exceed eight additional weeks in the case of any  
5 one disqualification.

6 (d) (1) In determining under subsection (a) of this  
7 section the suitability of work or the existence of good cause  
8 with respect to a claimant, the conditions and standards pre-  
9 scribed by the unemployment compensation laws of the  
10 State in which he files his claim shall govern: *Provided*,  
11 That the Administrator may prescribe conditions and  
12 standards for applicants in any State having no applicable  
13 statute.

14 (2) In determining under subsection (a) of this section  
15 the suitability of work, no work shall be deemed suitable  
16 for an individual if—

17 (A) the position offered is vacant due directly to  
18 a strike, lock-out, or other labor dispute; or

19 (B) the wages, hours, or other conditions of the  
20 work offered are substantially less favorable to him  
21 than those prevailing for similar work in the locality.

22 CHAPTER IX—AMOUNT OF ALLOWANCE AND PAYMENT

23 SEC. 900. (a) The allowance for a week shall be \$20  
24 less that part of the wages payable to him for such week  
25 which is in excess of \$3: *Provided*, That where the allow-

1   ance is not a multiple of \$1, it shall be computed to the  
2   next highest multiple of \$1.

3       (b) The number of weeks of allowances to which each  
4   eligible veteran shall be entitled shall be determined as  
5   follows: For each calendar month or major fraction thereof  
6   of active service during the period stated in section 700  
7   the veteran shall be entitled to four weeks of allowances,  
8   but in no event to exceed the maximum provided in section  
9   700: *Provided*, That the allowance for the qualifying ninety  
10   days service shall be eight weeks for each such month.

11       SEC. 901. (a) Readjustment allowances shall be paid  
12   at the intervals prescribed by the unemployment compen-  
13   sation law of the State in which the claim was made: *Pro-*  
14   *vided*, That if none are so prescribed readjustment allow-  
15   ances shall be paid at such reasonable intervals as may be  
16   determined by the Administrator.

17       (b) Any allowances remaining unpaid upon the death  
18   of a claimant shall not be considered a part of the assets of  
19   the estate of the claimant, or liable for the payment of his  
20   debts, or subject to any administration of his estate, and the  
21   Administrator may make payment thereof to such person  
22   or persons he finds most equitably entitled thereto.

23       SEC. 902. (a) Any person qualified under subsection  
24   (a) of section 700, and residing in the United States who is  
25   self-employed for profit in an independent establishment,

1 trade, business, profession, or other vocation shall be eligible  
2 for readjustment allowances under this title within the time  
3 periods applicable, and not in excess of the total amount  
4 provided in this title.

5 (b) Upon application by the veteran showing, in  
6 accordance with rules prescribed by the Administrator, that  
7 he has been fully engaged in such self-employment and that  
8 his net earnings in a trade, business, profession, or vocation,  
9 have been less than \$100 in the previous calendar month,  
10 the veteran shall be entitled to receive, subject to the limita-  
11 tions of this title as to time and amount, the difference (ad-  
12 justed to the next highest multiple of \$1), between \$100  
13 and his net earnings for such month.

14 (c) Payment of such allowance shall be made by the  
15 Administrator to each eligible veteran at the time and in  
16 the manner other payments are made directly to veterans  
17 by the Administrator.

18 (d) Subsection (b) of section 700 and section 800  
19 shall not apply in determining the eligibility for allowances  
20 of a claimant under this section.

## 21 CHAPTER X.—ADJUSTMENT OF DUPLICATE BENEFITS

22 SEC. 1000. Where an allowance is payable to a claim-  
23 ant under this title and where, for the same period, either  
24 an allowance or benefit is received under any Federal or  
25 State unemployment or disability compensation law, the



1 amount received or accrued from such other source shall be  
2 subtracted from the allowance payable under this title (ex-  
3 cept that this section shall not apply to pension, compensa-  
4 tion, or retired pay paid by the Veterans' Administration) ;  
5 and the resulting allowances, if not a multiple of \$1, shall  
6 be readjusted to the next higher multiple of \$1.

## 7 CHAPTER XI—ADMINISTRATION

8 SEC. 1100. (a) The Administrator of Veterans' Affairs  
9 is authorized to administer this title and shall, insofar as  
10 possible, utilize existing facilities and services of Federal  
11 and State departments or agencies on the basis of mutual  
12 agreements with such departments or agencies. Such agree-  
13 ments shall provide for the filing of claims for readjustment  
14 allowances with the Administrator through established pub-  
15 lic employment offices and State unemployment-compen-  
16 sation agencies. Such agencies, through agreement, shall  
17 also be utilized in the processing, adjustment, and deter-  
18 mination of such claims and the payment of such allowances.  
19 To facilitate the carrying out of agreements with State de-  
20 partments or agencies and to assist in the discharge of the  
21 Administrator's duties under this title, a representative of  
22 the Administrator, who shall be a war veteran separated  
23 from active service under honorable conditions and who at  
24 the time of appointment shall have been a bona fide resident

1 of the State for at least two years, shall be located in each  
2 participating State department or agency.

3 (b) The Administrator, consistent with the provisions of  
4 this title, shall prescribe such rules and regulations and re-  
5 quire such records and reports as he may find necessary to  
6 carry out its purposes: *Provided, however,* That cooperative  
7 rules and regulations relating to the performance by Federal  
8 or State departments, or agencies, of functions under agree-  
9 ments made therewith may be made by the Administrator  
10 after consultation and advisement with representatives of  
11 such departments or agencies.

12 (c) The Administrator may delegate to any officer or  
13 employee of his own or of any cooperating department or  
14 agency of any State such of his powers and duties, except  
15 that of prescribing rules and regulations, as the Admin-  
16 istrator may consider necessary and proper to carry out the  
17 purposes of this title.

18 (d) Allowances paid by the cooperating State agencies  
19 shall be repaid upon certification by the Administrator. The  
20 Secretary of the Treasury, through the Division of Disburse-  
21 ment of the Treasury, and without the necessity of audit and  
22 settlement by the General Accounting Office, shall pay  
23 monthly to the departments, agencies, or individuals desig-  
24 nated, the amounts so certified.

1       (e) The Administrator shall from time to time certify  
2 to the Secretary of the Treasury for payment in advance  
3 or otherwise such sums as he estimates to be necessary to  
4 compensate any Federal department or agency for its ad-  
5 ministrative expenses under this title. Such sums shall  
6 cover periods of no longer than six months.

7       (f) The Administrator shall also from time to time  
8 certify to the Social Security Board such State departments  
9 or agencies as may be participating in the administration of  
10 this title, and the amount of the administrative expense in-  
11 curred or to be incurred by a State under agreements made  
12 pursuant to this section. Upon such certification the Social  
13 Security Board shall certify such amount to the Secretary  
14 of the Treasury, in addition to the amount, if any, payable  
15 by said Board under the provisions of section 302 (a) of  
16 the Social Security Act, as amended, and the additional  
17 amount so certified shall be paid to each State by the Sec-  
18 retary of the Treasury out of the appropriation for the  
19 Veterans' Administration.

20       (g) Any money paid to any cooperating agency or  
21 person, which is not used for the purpose for which it was  
22 paid shall, upon termination of the period covered by such  
23 payment or the agreement with such agency or person, be  
24 returned to the Treasury and credited to the current appro-  
25 priation for carrying out the purpose of this title, or, if



1 returned after the expiration of period covered by this title,  
2 shall be covered into the Treasury as miscellaneous receipts.

3 SEC. 1101. (a) No person designated by the Adminis-  
4 trator as a certifying officer shall, in the absence of gross  
5 negligence, or intent to defraud the United States, be liable  
6 with respect to the payment of any allowance certified by  
7 him under this title.

8 (b) No disbursing officer shall, in the absence of gross  
9 negligence, or intent to defraud the United States, be liable  
10 with respect to any payment by him under this title if it  
11 was based upon a voucher signed by a certifying officer  
12 designated by the Administrator.

13 SEC. 1102. Any claimant whose claim for an allowance  
14 has been denied shall be entitled to a fair hearing before  
15 an impartial tribunal of the State agency or such other  
16 agency as may be designated by the Administrator. The  
17 representative of the Administrator located in each State  
18 shall be the final appellate authority in regard to contested  
19 claims arising in such State, subject to review by the  
20 Administrator.

21 SEC. 1103. In the case of any veteran eligible under  
22 the provisions of this title who either at the time of applica-  
23 tion for the benefits herein provided is a "qualified employee"  
24 as defined in section 3 of the Railroad Unemployment In-  
25 surance Act, as amended, or was last employed prior to such

1 application by an employer as defined in section 1 (a) of  
2 the said Act, claim may be made through an office operated  
3 by or a facility designated as a free employment office by  
4 the Railroad Retirement Board pursuant to the provisions  
5 of said Act. In such cases, the conditions and standards as  
6 to suitability of work or existence of good cause, the inter-  
7 vals for making claim for and payment of benefits, and the  
8 administrative and appellate procedures prescribed by or  
9 under said Act shall govern, if not in conflict with the pro-  
10 visions of this title, the appellate procedures being subject  
11 to final appeal to the Administrator. In such cases, a ref-  
12 erence in this title to a cooperating State agency shall be  
13 deemed to include the Railroad Retirement Board.

#### 14 CHAPTER XII—DECISIONS AND PROCEDURES

15 SEC. 1200. The authority to issue subpoenas and pro-  
16 visions for invoking aid of the courts of the United States  
17 in case of disobedience thereto, to make investigations, and  
18 to administer oaths, as contained in title III of the Act  
19 of June 29, 1936 (49 Stat. 2033-34; U. S. C., title 38,  
20 secs. 131-133), shall be applicable in the administration of  
21 this title.

#### 22 CHAPTER XIII—PENALTIES

23 SEC. 1300. Any claimant who knowingly accepts an  
24 allowance to which he is not entitled shall be ineligible to  
25 receive any further allowance under this title.

1        SEC. 1301. (a) Whoever, for the purpose of causing  
2 an increase in any allowance authorized under this title, or  
3 for the purpose of causing any allowance to be paid where  
4 none is authorized under this title, shall make or cause to be  
5 made any false statement or representation as to any wages  
6 paid or received, or whoever makes or causes to be made  
7 any false statement of a material fact in any claim for any  
8 allowance under this title, or whoever makes or causes to  
9 be made any false statement, representation, affidavit, or  
10 document in connection with such claim, shall be guilty of  
11 a misdemeanor and upon conviction thereof shall be fined  
12 not more than \$1,000 or imprisoned for not more than one  
13 year, or both.

14        (b) Whoever shall obtain or receive any money, check,  
15 or allowance under this title, without being entitled thereto  
16 and with intent to defraud the United States, shall be pun-  
17 ished by a fine of not more than \$1,000 or by imprison-  
18 ment for not more than one year, or both.

#### 19                    CHAPTER XIV—DEFINITIONS

20        SEC. 1400. As used in this title—

21        (a) The term “week” means such period or periods of  
22 seven consecutive calendar days as may be prescribed in  
23 regulations by the Administrator.

24        (b) The term “wages” means all remuneration for  
25 services from whatever sources, including commissions and



1 bonuses and the cash value of all remuneration in any  
2 medium other than cash.

3 TITLE VI

4 CHAPTER XV—GENERAL ADMINISTRATIVE AND PENAL  
5 PROVISIONS

6 SEC. 1500. Except as otherwise provided in this Act,  
7 the administrative, definitive, and penal provisions under  
8 Public, Numbered 2, Seventy-third Congress, as amended,  
9 and the provisions of Public, Numbered 262, Seventy-fourth  
10 Congress, as amended (38 U. S. C. 450, 451, 454a, and  
11 556a), shall be for application under this Act. For the  
12 purpose of carrying out any of the provisions of Public,  
13 Numbered 2, as amended, and this Act, the Administrator  
14 shall have authority to accept uncompensated services, and  
15 to enter into contracts or agreements with private or  
16 public agencies, or persons, for necessary services, including  
17 personal services, as he may deem practicable.

18 SEC. 1501. Except as otherwise specified, the appro-  
19 priations for the Veterans' Administration are hereby made  
20 available for expenditures necessary to carry out the pro-  
21 visions of this Act and there is hereby authorized to be ap-  
22 propriated such additional amounts as may be necessary to  
23 accomplish the purposes of this Act.

24 SEC. 1502. Wherever used in this Act, unless the con-  
25 text otherwise requires, the singular includes the plural; the

1 masculine includes the feminine; the term "Administrator"  
2 means the Administrator of Veterans' Affairs; the term  
3 "United States" used geographically means the several  
4 States, Territories and possessions, and the District of Co-  
5 lumbia; the term "State" means the several States, Terri-  
6 tories and possessions, and the District of Columbia; and the  
7 phrases "termination of hostilities in the present war", "ter-  
8 mination of the present war", and "termination of the war",  
9 mean termination of the war as declared by Presidential  
10 proclamation or concurrent resolution of the Congress.

11 SEC. 1503. A discharge or release from active service  
12 under conditions other than dishonorable shall be a prerequi-  
13 site to entitlement to veterans' benefits provided by this Act  
14 or Public Law Numbered 2, Seventy-third Congress, as  
15 amended.

16 SEC. 1504. The Administrator shall transmit to the Con-  
17 gress annually a report of operations under this Act. If the  
18 Senate or the House of Representatives is not in session, such  
19 reports shall be transmitted to the Secretary of the Senate  
20 or the Clerk of the House of Representatives, as the case  
21 may be.

22 SEC. 1505. In the event there shall hereafter be author-  
23 ized any allowance in the nature of adjusted compensation,  
24 any benefits received by, or paid for, any veteran under this  
25 Act shall be charged against and deducted from such ad-

1   justed compensation; and in the event a veteran has obtained  
2   a loan under the terms of this Act, the agency disbursing  
3   such adjusted compensation shall first pay the unpaid bal-  
4   ance and accrued interest due on such loan to the holder of  
5   the evidence of such indebtedness to the extent that the  
6   amount of adjusted compensation which may be payable  
7   will permit.

8       SEC. 1506. (a) Before any proposed regulation or  
9   order to carry out the purposes of this Act shall be issued  
10  by any governmental agency exercising authority conferred  
11  hereunder, other than intraagency administrative rules or  
12  orders governing the conduct of its activities or inter-  
13  agency rules governing relations with other agencies of the  
14  Government, a draft thereof shall be submitted to the Com-  
15  mittee on Finance of the Senate of the United States and to  
16  the Committee on World War Veterans' Legislation of the  
17  House of Representatives for study, to consider whether such  
18  rule or regulation is made in conformity with the spirit,  
19  letter, intent, and purpose of this Act, and that no unusual  
20  or unexpected use of powers herein granted is proposed.  
21  Such regulation or order may be approved or disapproved  
22  by the Committee on Finance of the Senate or by the  
23  Committee on World War Veterans' Legislation of the  
24  House of Representatives, or a duly authorized subcom-  
25  mittee of either. In the absence of action by either com-



1 mittee approving or disapproving such regulation or order,  
2 it may go into effect not earlier than the fifteenth day  
3 following, but not including the date of the receipt of  
4 the draft of such proposed regulation or order by chairmen  
5 of such committees. If sooner approved by either com-  
6 mittee it may go into effect immediately upon such approval.  
7 Disapproval of such regulation or order by either committee  
8 shall suspend its issuance: *Provided*, That in the event of  
9 conflicting committee actions the earlier action shall govern.

10 (b) For the purposes of this section the Committee  
11 on Finance of the Senate and the Committee on World War  
12 Veterans' Legislation of the House of Representatives, or  
13 any duly authorized subcommittees thereof, are authorized to  
14 sit and act during the sessions, recesses, and adjourned  
15 periods of the Congress.

16 (c) This section shall be effective from the date of its  
17 approval.

Passed the House of Representatives July 18, 1945.

Attest:

SOUTH TRIMBLE,

*Clerk.*

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## AN ACT

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To amend the Servicemen's Readjustment Act of 1944 to provide for a readjustment allowance for all veterans of World War II.

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JULY 19 (legislative day, JULY 9), 1945

Read twice and referred to the Committee on Finance







# H. R. 3749

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IN THE SENATE OF THE UNITED STATES

SEPTEMBER 27 (legislative day, SEPTEMBER 10), 1945

Referred to the Committee on Finance and ordered to be printed

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## AMENDMENTS

Intended to be proposed by Mr. McFARLAND to the bill (H. R. 3749) to amend the Servicemen's Readjustment Act of 1944 to provide for a readjustment allowance for all veterans of World War II, viz:

1       On page 45, beginning with line 22, strike out down  
2 through line 7 on page 46.

3       On page 46, line 8, strike out "1506", and insert in  
4 lieu thereof "1505".

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## AMENDMENTS

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Intended to be proposed by Mr. McFarland to the bill (H. R. 3749) to amend the Service-men's Readjustment Act of 1944 to provide for a readjustment allowance for all veterans of World War II.

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SEPTEMBER 27 (legislative day, SEPTEMBER 10), 1945  
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OFFICE OF BUDGET AND FINANCE  
Legislative Reports and Service Section

79th-1st, No. 195

DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE  
(Issued November 7, 1945, for actions of Tuesday, November 6, 1945)

(For staff of the Department only)

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HIGHLIGHTS: Sen. Thomas reported on the Quebec Food Conference. Rep. Robertson opposed bill providing for 20-year Philippine sugar quotas. Reps. Outland, Hoffman, and Patman discussed full-employment legislation.

SENATE.

1. GOVERNMENT REORGANIZATION. Sen. Donnell, Mo., inserted his modified amendments to S. 1120, the reorganization bill, with respect to Congressional approval of reorganization plans (p. 10567).
2. FOOD AND AGRICULTURE ORGANIZATION. Sen. Thomas, Okla., reported on the Quebec Food and Agriculture Organization Conference and inserted several statements on this program (pp. 10584-92).
3. VETERANS; EDUCATION. Finance Committee reported with amendment H.R. 3749, to amend the GI Bill of Rights (S.Rept. 698)(p. 10566).
4. NOMINATION. Military Affairs Committee reported favorably the nomination of Kenneth C. Royall to be Under Secretary of War (p. 10600).
5. PERSONNEL; RETIREMENT. Received a Customs Service employees' petition favoring H.R. 2948, to amend the Civil Service Retirement Act so as to exempt annuity payments from taxation (p. 10565).
6. FOREIGN RELIEF. Received a Mass. citizens' petition favoring feeding in Europe (p. 10565).
7. FULL EMPLOYMENT. Received a petition favoring full-employment legislation (p. 10565).
8. MILITARY TRAINING. Received a Kans. citizen's letter opposing compulsory military training (pp. 10565-b).



9. ADJOURNED until Thurs., Nov. 8 (p. 10600).

#### HOUSE

10. PRICE CONTROL. Rep. Michener, Mich., criticized OPA price adjustments as "one of the real obstacles in the way of immediate reconversion" and inserted a Bushfield (Mich.) Advance editorial on the subject (pp. 10605-6).
11. WATER POLLUTION. Rep. Mundt, S.Dak., announced hearings for Tues., Nov. 13, on H.R. 519, to control water pollution, and Rep. Pittenger, Minn., discussed previous hearings on the subject and the need for such legislation (p. 10606).
12. FULL EMPLOYMENT. Reps. Outland, Calif., Hoffman, Mich., Patman, Tex., and others discussed, analyzed and inserted interpretations of the full-employment bills (pp. 10612-30).
13. UNEMPLOYMENT STATISTICS. Rep. Jones, Ohio, commended the statistical work of the Census Bureau in connection with unemployment statistics and inserted a table showing "Estimated funds available for obligation for construction and detailed plans, fiscal year 1946," including figures for this Department for forest roads and trails (pp. 10630-1).
14. MINERALS. Public Lands Committee reported without amendment H.R. 4343, to provide for the extension of five-year oil and gas leases expiring before Dec. 31, 1946, until that date (H.Rept. 1187) (p. 10632).

#### BILLS INTRODUCED

15. PURCHASING. S. 1561, by Sen. Downey, Calif., to amend the act providing for compensation for injury, death, or detention of employees of contractors with the U.S., outside the U.S. To Education and Labor Committee. (p. 10567.)
16. PERSONNEL; REEMPLOYMENT. S. 1560, by Sen. Hill, Ala., ( for Sen. Thomas, Utah) to amend the Service Extension Act to extend reemployment benefits to former members of the WAACs who entered the WACs. To Military Affairs Committee. (p. 10567.)
17. RESEARCH. S. 1557, by Sen. Ball, Minn., to provide for the development and control of atomic energy. To Special Committee on Atomic Energy. Remarks of author (p. 10567.)
18. BANKRUPTCY. H.R. 4606, by Rep. Lemke, N.Dak., to amend the Bankruptcy Act. To Judiciary Committee. (p. 10632.)
19. FLOOD CONTROL. H.Res. 391, by Rep. Short, Mo., requesting the Board of Engineers for Rivers and Harbors to review the report on the Arkansas River and its tributaries. To Flood Control Committee. (p. 10632.)
20. FORESTRY; LANDS. H.R. 4513 (see Digest 189) amends the 1916 Agricultural Appropriation Act to permit the Secretary of Agriculture to grant tracts of national forest lands up to 80 acres for public use for hunting and fishing clubs, mineral- and peat-processing plants, airplane landing fields, etc., and retains the five-acre limitation on tracts for private use.

#### BILL APPROVED BY THE PRESIDENT

- 20a. SUGAR; ALCOHOL. S.J. Res. 100, to permit alcohol plants to produce sugars or sirups simultaneously with the production of alcohol until July 1, 1946. Approved Nov. 5 (Public Law 210, 79th Cong.).





United States  
of America

# Congressional Record

PROCEEDINGS AND DEBATES OF THE 79<sup>th</sup> CONGRESS, FIRST SESSION

Vol. 91

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## Senate

(Legislative day of Monday, October 29, 1945)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Almighty God and Father of mankind, by whom the meek are guided in judgment, to Thy forgiving mercy and cleansing grace we would bring our jaded lives stained with the defilements of the world and covered with the dust of the road. In the heat of the day, mid all the traffic of the busy ways, we are tempted to reflect in our own attitudes the angry passions of the pressing throng of which we are a part. But, turning to this wayside cross of devotion from the pageantry of passing things, we are ashamed of thoughts that poison the very springs of our being, of actions far beneath our beckoning best, of opinions that are colored by prejudice, and of bitter words that sting the sensitive spirits of others. In the shamed contrition which the splendor of Thy presence brings, may every vileness shrink away from our own souls, and as we stay our minds on Thee help us to help the Nation and to serve the world. In the dear Redeemer's name. Amen.

### THE JOURNAL

On request of Mr. HILL, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Friday, November 2, 1945, was dispensed with, and the Journal was approved.

### MESSAGES FROM THE PRESIDENT—APPROVAL OF JOINT RESOLUTION

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on November 5, 1945, the President had approved and signed the joint resolution (S. J. Res. 100) permitting alcohol plants to produce sugars or sirups simultaneously with the production of alcohol until July 1, 1946.

### NOTICE OF HEARING ON NOMINATION OF WALLACE S. GOURLEY TO BE UNITED STATES DISTRICT JUDGE, WESTERN DISTRICT OF PENNSYLVANIA

Mr. HATCH. Mr. President, on behalf of the Committee on the Judiciary, and

in accordance with the rules of the committee, I desire to give notice that a public hearing has been scheduled for Monday, November 19, 1945, at 10:30 a. m., in the Senate Judiciary Committee room in the Capitol Building, upon the nomination of Wallace S. Gourley, of Pennsylvania, to be United States district judge for the western district of Pennsylvania, vice Frederic P. Schoonmaker, deceased. At the indicated time and place, all persons interested in the nomination may make such representations as may be pertinent. The subcommittee in charge consists of the Senator from Nevada [Mr. McCARRAN], chairman, the Senator from New Mexico [Mr. HATCH], and the Senator from New Jersey [Mr. SMITH].

### EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

#### RELIEF OF CERTAIN EMPLOYEES OF THE VETERANS' ADMINISTRATION

A letter from the Administrator of Veterans' Administration, transmitting a draft of proposed legislation to relieve certain employees of the Veterans' Administration from financial liability for certain overpayments and allow such credit therefor as is necessary in the accounts of Guy F. Allen, chief disbursing officer (with accompanying papers); to the Committee on Claims.

#### DISPOSITION OF EXECUTIVE PAPERS

A letter from the Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The PRESIDENT pro tempore appointed Mr. BARKLEY and Mr. BREWSTER members of the committee on the part of the Senate.

### PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A letter from Charles Roznarek, president of the Polish-American Congress, Inc., of

Chicago, Ill., transmitting copy of an appeal addressed to the President of the United States protesting against domination by Russia in Poland and urging the use of the good offices of the United States Government in the restoration of Poland's independence; to the Committee on Foreign Relations.

By Mr. TYDINGS:

A petition of sundry employees of the United States customs service, Baltimore, Md., praying for the enactment of the bill (H. R. 2948) to amend the Civil Service Retirement Act approved May 28, 1930, as amended, so as to exempt annuity payments under such act from taxation; to the Committee on Finance.

By Mr. WALSH:

A petition of sundry citizens of the State of Massachusetts, praying for the enactment of legislation appropriating funds for the purpose of sending food to the desperate people of Europe and Asia; to the Committee on Appropriations.

A petition of members of the crew of the steamship *Gulf Wax* residing in the State of Massachusetts, praying for the enactment of legislation to assure full employment and to promote the health and welfare of the American people; to the Committee on Banking and Currency.

Resolutions adopted by Northern Friends Lodge, No. 102, district No. 2, of Leominster, and Gustav V. Lodge, No. 118, district No. 2, of Boston, both of Scandinavian Fraternity of America, in the State of Massachusetts, favoring the enactment of legislation so as to increase immigration quotas for the Scandinavian countries, Sweden, Norway, and Denmark in order that they be on an equal basis with other countries; to the Committee on Immigration.

A resolution adopted by the Board of Aldermen of Chelsea, Mass., protesting against the British white-paper policy on Jewish immigration into Palestine; to the Committee on Foreign Relations.

### COMPULSORY MILITARY TRAINING—LETTER FROM HENRY W. THEISSEN

Mr. CAPPER. Mr. President, I have received a letter from Mr. Henry W. Theissen, Hutchinson, Kans., which ably presents his views in opposition to compulsory military training. I ask unanimous consent to present the letter for appropriate reference and printing in the RECORD.

There being no objection, the letter presented by Mr. CAPPER was received, referred to the Committee on Military



Affairs, and ordered to be printed in the RECORD, as follows:

HUTCHINSON, KANS.,  
October 29, 1945.

The Hon. ARTHUR CAPPER,  
United States Senate,  
Washington, D. C.

DEAR SENATOR CAPPER: As you well know, the public is very much concerned over the present day uncertainties and the trends. This fact has led me to carry on quite a bit of correspondence with various Congressmen at the urgent request of others. Your letter of October 11 is the most intelligent and expresses more the views of the folks back home, than any other letter I have received from the Capital. You have a very keen appraisal of the "grass roots" thought in Kansas.

You may rest assured the people are not ready to cover up the Pearl Harbor incident, and the present administration's apparent failure to uproot militarism, by accepting that age-old evil of peacetime conscription. There is a growing fear that the present administration lacks world leadership.

We hope you will crown your long and successful career by using your good influence in defeating that damnable militaristic spirit and create a leadership that is capable of selling our allies and the world on the idea that war does not pay nor accomplish anything.

Very sincerely yours,  
H. W. THIESSEN.

#### REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. WALSH, from the Committee on Naval Affairs:

S. 1491. A bill to adjust the pay and allowances of members of the Navy Nurse Corps, and for other purposes; without amendment (Rept. No. 695); and

S. 1494. A bill to exempt Navy or Coast Guard vessels of special construction from the requirements as to the number, position, range, or arc of visibility of lights, and for other purposes; with amendments (Rept. No. 696).

By Mr. O'MAHONEY, from the Committee on Military Affairs:

S. 1532. A bill to authorize the appointment of certain persons as permanent brigadier generals of the line of the Regular Army; without amendment (Rept. No. 697).

By Mr. JOHNSON of Colorado, from the Committee on Finance:

H. R. 3749. A bill to amend the Servicemen's Readjustment Act of 1944 to provide for a readjustment allowance for all veterans of World War II; with an amendment (Rept. No. 698).

By Mr. HILL, from the Committee on Military Affairs:

S. 1533. A bill to authorize the appointment of certain additional permanent major generals and brigadier generals of the line

of the Regular Army, and for other purposes; without amendment (Rept. No. 699); and

H. R. 1512. A bill to amend section 9 of the Pay Readjustment Act of 1942 (Public Law 607) by providing for the computation of double-time credits awarded between 1898 and 1912 in determining retired pay; without amendment (Rept. No. 700).

#### PERSONS EMPLOYED BY COMMITTEES WHO ARE NOT FULL-TIME SENATE OR COMMITTEE EMPLOYEES

The PRESIDENT pro tempore laid before the Senate reports for the month of October 1945, from the chairmen of certain committees, in response to Senate Resolution 319 (78th Cong.), relative to persons employed by committees who are not full-time employees of the Senate or any committee thereof, which were ordered to lie on the table and to be printed in the RECORD, as follows:

#### COMMITTEE ON EDUCATION AND LABOR

NOVEMBER 1, 1945.

To the Senate:

The above-mentioned committee hereby submits the following report showing the names of persons employed by the committee who are not full-time employees of the Senate or of the committee for the month of October 1945, in compliance with the terms of Senate Resolution 319, agreed to August 23, 1944:

Name of individual	Address	Name and address of department or organization by whom paid	Annual rate of compensation
Helen Gauntlett.....	1634 I St. NW., Washington, D. C.....	Department of Labor, Washington, D. C.....	\$4,300
Virginia Kreamer.....	3918 10th St. NE., Washington, D. C.....	do.....	2,760

JAMES E. MURRAY, Chairman.

#### INTERSTATE COMMERCE COMMITTEE

NOVEMBER 6, 1945.

To the Senate:

The above-mentioned committee hereby submits the following report showing the

name of a person employed by the committee who is not a full-time employee of the Senate or of the committee for the month of October 1945, in compliance with the terms

of Senate Resolution 319, agreed to August 23, 1944:

Name of individual	Address	Name and address of department or organization by whom paid	Annual rate of compensation
Mrs. Alma B. Kidwell.....	113 Park Blvd. SE.....	Federal Communications Commission.....	\$1,800

B. WHEELER, Chairman.

#### SPECIAL COMMITTEE TO STUDY AND SURVEY PROBLEMS OF SMALL BUSINESS ENTERPRISES

NOVEMBER 1, 1945.

To the Senate:

The above-mentioned committee hereby submits the following report showing the

names of persons employed by the committee who are not full-time employees of the Senate or of the committee for the month of October 1945, in compliance with the terms

of Senate Resolution 319, agreed to August 23, 1944:

Name of individual	Address	Name and address of department or organization by whom paid	Annual rate of compensation
Alice M. Allen.....	1604 Q St. NW., Washington, D. C.....	War Production Board, Washington, D. C.....	\$2,320.00
Emerald G. Devitt.....	2425 27th St., South, Arlington, Va.....	do.....	2,430.00
Parley P. Eccles.....	4408 First Pl. NE., Washington, D. C.....	Foreign Economics Administration, Washington, D. C.....	7,175.00
Herman Edelsberg.....	2141 Suitland Terrace SE., Washington, D. C.....	do.....	7,175.00
Harry J. Evans.....	3010 Gainesville St. SE., Washington, D. C.....	Reconstruction Finance Corporation, Washington, D. C.....	7,175.00
F. Preston Forbes.....	502 Four Mile Rd., Alexandria, Va.....	Department of Commerce, Washington, D. C.....	5,180.00
Scott K. Gray, Jr.....	119 Joliet St. SW., Washington, D. C.....	Reconstruction Finance Corporation, Washington, D. C.....	5,390.00
Stella J. Groeper.....	1127 Branch Ave. SE., Washington, D. C.....	War Production Board, Washington, D. C.....	2,980.00
John W. Nelson.....	The Delano Apartments, Washington, D. C.....	do.....	6,440.00
Martha G. Ray.....	5909 32d St. NW., Washington, D. C.....	do.....	2,430.00
Lt. George H. Soule.....	4020 Beecher St. NW., Washington, D. C.....	Navy Department, Washington, D. C.....	2,400.00
L. Evelyn Spicer.....	1708 Kilbourne Pl. NW., Washington, D. C.....	War Production Board, Washington, D. C.....	3,080.00
Fredk. W. Steckman.....	4000 Cathedral Ave. NW., Washington, D. C.....	Maritime Commission, Washington, D. C.....	5,600.00
Margie L. Struhel.....	4632 12th St. NE., Washington, D. C.....	War Production Board, Washington, D. C.....	2,320.00
Allen G. Thurman.....	9729 Bexhill Dr., Rock Creek Hills, Md.....	Maritime Commission, Washington, D. C.....	7,175.00
Alfred J. Van Tassel.....	1622 Mount Eagle Place, Alexandria, Va.....	War Production Board, Washington, D. C.....	7,437.50

JAMES E. MURRAY, Chairman.



AMENDMENTS TO SERVICEMEN'S READJUSTMENT ACT  
OF 1944

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NOVEMBER 6 (legislative day, OCTOBER 29), 1945.—Ordered to be printed

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Mr. JOHNSON of Colorado, from the Committee on Finance, submitted the following

## REPORT

[To accompany H. R. 3749]

The Committee on Finance, to whom was referred the bill (H. R. 3749) to amend the Servicemen's Readjustment Act of 1944 to provide for a readjustment allowance for all veterans of World War II, having considered the same, report favorably thereon with amendments and recommend that the bill, as amended, do pass.

## GENERAL STATEMENT

Experience under the Servicemen's Readjustment Act of 1944, since its enactment on June 22, 1944, has shown that in some respects the act requires liberalization or clarification. Various bills have been introduced both in the Senate and in the House to make changes in the act. The bill H. R. 3749, which your committee is reporting, passed the House in the form of a complete redraft of the Servicemen's Readjustment Act of 1944 but actually amending only certain sections of titles I, II, and III.

Your committee held hearings on this bill and, after considering the suggestions made at the hearings on this and other bills on this subject pending before the committee, has reported a substitute for the House bill which it recommends for immediate enactment. The substitute does not rewrite the entire Readjustment Act but proposes only to amend it in the particulars in which your committee saw need for amendment, and other sections in the act were left untouched.

It is believed that the bill as reported by the committee will go a long way toward meeting suggestions for amendment made at the hearings and elsewhere. It will facilitate administration and will, in important respects, liberalize benefits under the Servicemen's Readjustment Act of 1944 and particularly the education and loan provisions, which, in practice, have proved to be difficult in some respects.

## ANALYSIS OF THE BILL BY SECTIONS

## PROCEDURE

*Section 1.*—This section amends section 100 of the Servicemen's Readjustment Act so as to make permanent the authority of the Administrator under that section to procure necessary space for administrative, clinical, medical, and out-patient treatment purposes, by lease, purchase, or construction of buildings, or by condemnation or declaration of taking. Under existing law this authority is limited to the "present war and 6 months thereafter."

*Section 2.*—This section adds to section 200 of the act an authorization for the Administrator to furnish necessary space and suitable office facilities for the use of paid representatives of veterans' organizations, with reimbursement on an actual-cost basis.

*Section 3.*—Section 302 (a) of the act authorized the establishment of boards of review to review findings and decisions of retiring boards. The amendments made by the committee in this section extend this authority to review findings and decisions of boards of medical survey and disposition boards. A change in language broadens the class of those who may apply to include any officer released from active service.

## EDUCATION AND TRAINING

*Section 4.*—This section amends part VIII of Veterans Regulation No. 1 (a), as added by section 400 (b) of the Servicemen's Readjustment Act, in the following respects:

(a) Paragraph 1 is amended to eliminate the requirement that veterans show that education was interrupted by service, extended the time from 2 to 4 years to initiate a course, extended the time within which education or training may be afforded from 7 to 9 years after the termination of the war, and strikes out the age limitation. The House bill also contained the extensions of time referred to.

(b) Paragraph 2 is amended to strike out the references to a refresher or retraining course so that the veteran will be provided approved education or training for a period of 1 year plus the time he was in active service, not to exceed a total of 4 years.

(c) Paragraph 3 is amended in two important respects: First, a new subparagraph (b) is added providing for short, intensive courses under contract with approved institutions, with authority to pay more than the pro rata customary charges and limiting the period of education and training accordingly; second, a new subparagraph (c) is added which provides for instruction by correspondence courses, subject to contracts as to rates and charging one-fourth of the elapsed time used in following such courses against the veteran's period of eligibility. The total amount payable for a correspondence course or courses is limited to \$500.

Both of these latter amendments were contained in the House bill, although the correspondence-school provision was stated in somewhat different form and without adequate control as to rates or as to limitations of eligibility.

(d) Paragraph 5 of the present act, insofar as it seeks to permit adjustment of fees of public institutions, has not proven satisfactory in practice. Attorneys general of several States have questioned the authority of the State to accept payments under the law of the

State, within the limitations of the present paragraph 5. The committee amendment will permit the Administrator to make an adjustment of fees in such cases if he finds that the customary charges are insufficient to permit the furnishing of education or training to eligible veterans. The Administrator will be able to do this by agreement with each institution on an over-all plan and based upon a showing of need of assistance to meet the educational demands under the Federal program.

(e) The House bill increased the subsistence allowances under paragraph 6 from \$50 to \$60 per month in the case of veterans without dependents and from \$75 to \$85 per month in the case of veterans with dependents. The committee has increased these amounts to \$65 and \$90, respectively, effective on the first day of the first calendar month after date of enactment.

(f) Under paragraph 7 of the present law a veteran eligible for the benefits of part VIII (education and training) and part VII (vocational rehabilitation) may elect which benefit he desires; but once having made the election, he is bound. The committee amendment permits the right of election, together with authorization of an approved combination of courses, with the proviso that the total period of combined courses must not exceed the maximum period of limitations under the part affording the greater period of eligibility. It also removes an inequality as to disabled veterans.

*Section 5.*—This section adds a proviso to section 4 of Public Law No. 16, Seventy-eighth Congress, which was added by section 402 of the Servicemen's Readjustment Act of 1944, to the effect that returned books, supplies, or equipment may be released to educational or training institutions for credit or disposed of otherwise by the Administrator, without regard to limitations on the disposition of surplus property generally.

*Section 6.*—Under the present law relating to vocational rehabilitation (Public Law 16, 78th Cong.) no course of training in excess of a period of 4 years may be approved. Consequently, if a course of training extends beyond 4 years the veteran cannot take advantage of the course, even though he is willing to stand the expense of the course beyond the 4-year period out of his own pocket. This section will permit the Administrator to approve such courses. The period of time within which training may be furnished is also extended from 6 to 9 years after the end of the war, to conform to the amendments made in part VIII.

This section also contains an amendment constituting a complete redraft of paragraph 3 of part VII of Veterans Regulation (1) (a), as amended (Public Law 16, 78th Cong.). The amended section would provide that the disabled veteran, while pursuing training and for 2 months after his employability is determined, will be paid the amount of subsistence allowance specified in paragraph 6 of part VIII, Veterans Regulation 1 (a), as amended (the education provisions). It would establish a minimum rate of \$105 for a veteran without dependents, \$115 with a dependent, and \$10 additional for a child and \$7 for each additional child and \$15 for a dependent parent. Under existing law, while a veteran may receive additional pension while pursuing a course of training, the amount payable cannot exceed the rates for total temporary disability. The effect of the committee amendment is to permit the disabled veteran to receive subsistence allowances at



the sums payable under part VIII relating to education and training plus whatever pension he is entitled to under existing law, but with a prescribed minimum, to protect the disabled veterans with low rate of pension.

#### LOANS

*Section 7.*—This section permits a veteran to apply for guaranty of a loan within 10 years after the termination of the war. The existing law limits the loan features to 2 years after termination of the war or 2 years after separation from the military or naval forces, whichever is the later date, but in no event more than 5 years after the termination of the war. The House bill extended the 2-year limitation in existing law to 6 years but in no event more than 8 years after termination of the war.

It is appropriate to point out here an important difference between the House bill and the bill reported by your committee, as relates to loans. Under the House bill, by amendments to section 500 (a) and elsewhere in the Readjustment Act, the lending agency and the veteran were in effect permitted to make their own bargain, and the loan is automatically guaranteed 50 percent by the Administrator of Veterans' Affairs. This would afford no protection either to the veterans or to the Government. Your committee did not accept this plan and has retained the basic principles of the existing law with such changes as may be necessary in section 500 (a) and in other provisions which will be noted, to liberalize and clarify the law. At the same time, there is preserved the guaranty principle of the existing act instead of the House provision, which is in effect a contract of indemnity, with the lender and the Government sharing the loss pro rata.

*Section 8.*—Section 500 (b) of the act now permits the Administrator to pay interest for the first year on that part of the loan guaranteed by the Administrator. Your committee believes that an authority to pay an amount equivalent to 4 percent on the amount originally guaranteed rather than payment of interest for the first year will bring about simplification of administration and has amended the law accordingly.

Section 500 (c) is amended to extend the maturity limitation from 20 to 25 years generally and in the case of loans on farm realty to 40 years; and removes present restrictions which preclude national banks, Federal savings and loan associations, and District of Columbia banks, trust companies, building and loan associations, and insurance companies from participating in loans to veterans eligible for guaranty under the act. The laws of the various States quite generally permit such loans by State institutions.

*Section 9.*—The purpose of the changes made in section 501 is to make clear that the veteran may purchase a lot out of the proceeds of a loan purposed to finance the construction of a home on that lot. The present text of the act, which specifies that construction is permissible "on unimproved property owned by him," raises a question as to whether that was intended. The related change, striking out the words "including the value of the unimproved lot," is necessary because it will be proper to look at the cost of a lot purchased with the proceeds of the loan rather than the value of that lot. Of course, it

does not preclude guaranty of a loan for the purpose of constructing a building on a lot owned by the veteran.

The word "normal" has also been stricken from the text of section 501 (a) (3) (and as well from the corresponding sections related to loans for farm or business purposes) for the reason that a great deal of uncertainty and confusion appears to have resulted from the meaning of the phrase "reasonable normal value." It is desired by thus eliminating the word "normal" to clarify the intent of Congress to permit lending under the act to be predicated on appraised valuations that are reasonable in the light of present-day cost factors; and, while protecting the veteran from overinflated prices, to permit evaluation upon a more realistic basis.

*Section 10.*—The reference to payment of delinquent indebtedness, taxes, or special assessments has been stricken out of section 501 (b) and carried forward into a new section 506, so that the provisions thus stricken out will be applicable on a broadened basis to farms and business as well as to homes.

*Section 11.*—The changes made by this section in section 502 are designed to broaden the present language of the act so that loans can be made for every ordinary farming purpose. For example, under the present act the farmer cannot finance the construction of a new barn. Under the changed language that would be permissible.

The changes in the subparagraphs of this section are merely formal to conform them with the changes mentioned above, except for the striking out of the word "normal" which is referred to under section 501 (a) above.

*Section 12.*—Section 503 of the act likewise has been altered to eliminate the unduly restrictive effects of the present language of the act. The amended language will permit any normal business enterprise to be financed initially under a guaranteed loan. Under the present act, for example, a store cannot be modernized or altered with the proceeds of a guaranteed loan. Stock in trade cannot be acquired, nor working capital provided. The usual business loan is a character loan rather than a strictly secured loan. The amendment will permit such loans to be granted.

The changes in the subparagraphs are merely formal, except with respect to the elimination of the word "normal" in 503 (4), explained above under 501 (a) (3).

*Section 13.*—This change in section 505 (b) makes clear the right of the Secretary of Agriculture to determine the basic eligibility of a veteran applying for loans under the Bankhead-Jones Act. It eliminates the necessity of referring each case to the Veterans' Administration for such determination.

*Section 14.*—This section adds three new sections to the existing law:

Section 506: This supplants the clause eliminated in section 501 (b) and serves to broaden the refinancing of existing indebtedness so that the Readjustment Act will thus serve to supplement fully the Soldiers' and Sailors' Civil Relief Act of 1940, so as to aid veterans to refinance indebtedness with respect to which their delinquency might be attributable to loss of income during their period of service or to the difficulty of readjusting themselves economically in their postservice life. With respect to home or farm financing, delinquent indebtedness, to be eligible, must be evidenced by a lien of record. With



respect to business indebtedness it must have been incurred in connection with a business in which the veteran will be engaged subsequent to the issuance of the guaranty.

Section 507: The powers at present vested in the Administrator of Veterans' Affairs are inadequate to enable him to perform the functions required of him under the present act. This new section is added in order to enable him efficiently to conduct those functions. The new section also recognizes the right of private lenders to resort to the courts for a determination of their rights in matters arising out of contracts of guaranty under the act.

In short, section 507 is designed to permit the Administrator to handle matters arising by reason of this title (title III); to sue and be sued; to pay, or compromise claims arising because of a loan guaranty certificate or insurance contract; to pay, compromise, waive, or release any other rights, titles, claims, etc.; to take title to property and to sell, assign, convey, or otherwise dispose of such property; to complete, administer, and maintain or repair, or otherwise deal with property which he may be required to hold pursuant to this title.

Section 508: Section 508 adds to the act a plan which will permit the Administrator to insure loans for business purposes on a plan similar to that provided for modernization and repair loans under title I of the Federal Housing Act. Such insurance is to be issued in lieu of a guaranty and is to be issued direct to the lending institutions under an arrangement which will give them not to exceed a 15-percent coverage on the aggregate of all loans made by them to veterans for the purposes specified in section 503. Such insurance may be issued only to supervised lending institutions or to financial institutions which may purchase such loans from the original lending institution.

As loans of the nature covered by this provision will be, in the main, short-time loans, which are high-cost loans to a lender, it is thought proper to authorize a higher interest rate on such loans as are non-real-estate loans than the 4 percent per annum rate prescribed for all loans which are guaranteed under this act. The proposed 3 percent discount rate, when applied to loans amortizable on a monthly basis, will be an approximate equivalent of 5.54 percent per annum on a straight interest basis.

The new section 508 (c) prescribes that on each loan included in the aggregate insured under this section the Administrator shall pay at the outset the same flat 4 percent amount that is payable on guaranteed loans under the proposed amendment to section 500 (b).

#### MISCELLANEOUS

*Section 15.*—Section 1505 of the present act provides that in the event that veterans are given any allowance in the future in the nature of adjusted compensation, any benefits received under the Readjustment Act will be charged against and deducted from such adjusted compensation. In addition to the fact that your committee believes that such a sweeping provision is unfair to the veteran, it is actually affecting educational provisions, because the effect of this section is appraised by a veteran when he is making selection of an educational institution. Your committee believes that in no event should this section be applied except in connection with loans and has, therefore, amended the act to exclude other benefits from the deduction required.



*Section 16.*—This section adds two new sections to title VI of the Servicemen's Readjustment Act:

(1) Section 1506 will extend to persons who served in the active military or naval service of Allied Governments, and who were citizens of the United States at the time of entrance into such service, the benefits of the Servicemen's Readjustment Act as well as the vocational rehabilitation provisions of Public Law 16, to the same extent as in the case of persons who served in our own armed forces. It is provided, however, that these benefits will be extended only to persons who are residents of the United States at the time of filing claim and who are not receiving similar benefits from the government of the Allied Nation concerned.

(2) By reason of the fact that the benefits of the existing law are limited to persons who have been "discharged or released" from active service, persons on terminal leave and persons being hospitalized pending final discharge may not take advantage of the educational and loan provisions or vocational rehabilitation training under Public Law 16. Your committee sees no reason why persons occupying this temporary status should not be afforded an opportunity to apply for and receive such benefits, and section 1507 so provides. The section is made effective from June 22, 1944, the date of enactment of the Servicemen's Readjustment Act of 1944.

*Title.*—The title of the House bill does not adequately express the objectives of this legislation, in that it refers to provision only for readjustment allowances, and the committee has amended the title to read simply: "An act to amend the Servicemen's Readjustment Act of 1944, and for other purposes."





Calendar No. 705

79TH CONGRESS  
1ST SESSION

# H. R. 3749

[Report No. 698]

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## IN THE SENATE OF THE UNITED STATES

JULY 19 (legislative day, JULY 9), 1945

Read twice and referred to the Committee on Finance

NOVEMBER 6 (legislative day, OCTOBER 29), 1945

Reported by Mr. JOHNSON of Colorado, with amendments

[Strike out all after the enacting clause and insert the part printed in italic]

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## AN ACT

To amend the Servicemen's Readjustment Act of 1944 to provide for a readjustment allowance for all veterans of World War II.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That Public Law 346, ~~Seventy-eighth Congress~~, be amended  
4       to read as follows:

5       That this Act may be cited as the "Servicemen's Re-  
6       adjustment Act of 1945".



## TITLE I

## CHAPTER I—HOSPITALIZATION, CLAIMS, AND

## PROCEDURES

SEC. 100. The Veterans' Administration is hereby declared to be an essential war agency and entitled, second only to the War and Navy Departments, to priorities in personnel, equipment, supplies, and material under any laws, Executive orders, and regulations pertaining to priorities, and in appointments of personnel from civil-service registers the Administrator of Veterans' Affairs is hereby granted the same authority and discretion as the War and Navy Departments and the United States Public Health Service: *Provided*, That the provisions of this section as to priorities for materials shall apply to any State institution to be built for the care or hospitalization of veterans.

SEC. 101. The Administrator of Veterans' Affairs and the Federal Board of Hospitalization are hereby authorized and directed to expedite and complete the construction of additional hospital facilities for war veterans, and to enter into agreements and contracts for the use by or transfer to the Veterans' Administration of suitable Army and Navy hospitals after termination of hostilities in the present war or after such institutions are no longer needed by the armed services; and the Administrator of Veterans' Affairs is hereby authorized and directed to establish necessary regional offices,

1 suboffices, branch offices, contact units, or other subordinate  
2 offices in centers of population where there is no Veterans'  
3 Administration facility, or where such a facility is not readily  
4 available or accessible: *Provided*, That there is hereby author-  
5 ized to be appropriated the sum of \$500,000,000 for the con-  
6 struction of additional hospital facilities.

7       SEC. 102. The Administrator of Veterans' Affairs and  
8 the Secretary of War and Secretary of the Navy are hereby  
9 granted authority to enter into agreements and contracts for  
10 the mutual use or exchange of use of hospital and domiciliary  
11 facilities, and such supplies, equipment, and material as may  
12 be needed to operate properly such facilities, or for the trans-  
13 fer, without reimbursement of appropriations, of facilities, sup-  
14 plies, equipment, or material necessary and proper for author-  
15 ized care for veterans, except that at no time shall the Ad-  
16 ministrator of Veterans' Affairs enter into any agreement  
17 which will result in a permanent reduction of Veterans' Ad-  
18 ministration hospital and domiciliary beds below the number  
19 now established or approved, plus the estimated number re-  
20 quired to meet the load of eligibles under laws administered  
21 by the Veterans' Administration, or in any way subordinate  
22 or transfer the operation of the Veterans' Administration to  
23 any other agency of the Government.

24       Nothing in the Selective Training and Service Act of  
25 1940, as amended, or any other Act, shall be construed

1 to prevent the transfer or detail of any commissioned, ap-  
2 pointed or enlisted personnel from the armed forces to the  
3 Veterans' Administration subject to agreements between the  
4 Secretary of War or the Secretary of the Navy and the Ad-  
5 ministrator of Veterans' Affairs: *Provided*, That no such  
6 detail shall be made or extend beyond six months after the  
7 termination of the war.

8       SEC. 103. The Administrator of Veterans' Affairs shall  
9 have authority to place officials and employees designated by  
10 him in such Army and Navy installations as may be deemed  
11 advisable for the purpose of adjudicating disability claims of,  
12 and giving aid and advice to, members of the Army and  
13 Navy who are about to be discharged or released from active  
14 service.

15       SEC. 104. No person shall be discharged or released from  
16 active duty in the armed forces until his certificate of dis-  
17 charge or release from active duty and final pay, or a sub-  
18 stantial portion thereof, are ready for delivery to him or to  
19 his next of kin or legal representative; and no person shall  
20 be discharged or released from active service on account of  
21 disability until and unless he has executed a claim for com-  
22 pensation, pension, or hospitalization, to be filed with the  
23 Veterans' Administration or has signed a statement that  
24 he has had explained to him the right to file such claim:  
25 *Provided*, That this section shall not preclude immediate



1 transfer to a veterans' facility for necessary hospital care, nor  
2 preclude the discharge of any person who refuses to sign  
3 such claim or statement: *And provided further,* That refusal  
4 or failure to file a claim shall be without prejudice to any  
5 right the veteran may subsequently assert.

6 Any veteran entitled to a prosthetic appliance shall  
7 be furnished such fitting and training, including institutional  
8 training in the use of such appliance as may be necessary;  
9 whether in a Veterans' Administration facility, other train-  
10 ing institution, or by out-patient treatment, including such  
11 service under contract and including necessary traveling ex-  
12 penses to and from their homes to such hospital or training  
13 institution.

14 The Administrator of Veterans' Affairs may procure  
15 any and all items mentioned herein, including necessary serv-  
16 ices required in the fitting, supplying, and training in use of  
17 such items by purchase, manufacture, contract, or in such  
18 other manner as the Administrator may determine to be  
19 proper without regard to any other provision of law.

20 SEC. 105. No person in the armed forces shall be re-  
21 quired to sign a statement of any nature relating to the  
22 origin, incurrence, or aggravation of any disease or injury  
23 he may have, and any such statement against his own  
24 interest signed at any time, shall be null and void and of no  
25 force and effect.

## 1 CHAPTER II—AID BY VETERANS' ORGANIZATIONS

2 SEC. 200. (a) That upon certification to the Secretary  
3 of War or Secretary of the Navy by the Administrator of  
4 Veterans' Affairs of paid full time accredited representatives  
5 of the veterans' organizations specified in section 200 of the  
6 Act of June 29, 1936 (Public Law Numbered 844, Seventy-  
7 fourth Congress); and other such national organizations rec-  
8 ognized by the Administrator of Veterans' Affairs thereunder  
9 in the presentation of claims under laws administered by the  
10 Veterans' Administration, the Secretary of War and Secre-  
11 tary of the Navy are hereby authorized and directed to permit  
12 the functioning, in accordance with regulations prescribed  
13 pursuant to subsection (b) of this section, of such accredited  
14 representatives in military or naval installations on shore from  
15 which persons are discharged or released from the active mili-  
16 tary or naval service: *Provided*, That nothing in this section  
17 shall operate to affect measures of military security now in  
18 effect or which may hereafter be placed in effect, nor to  
19 prejudice the right of the American Red Cross to recognition  
20 under existing statutes.

21 (b) The necessary regulations shall be promulgated by  
22 the Secretary of War and the Secretary of the Navy jointly  
23 with the Administrator of Veterans' Affairs to accomplish  
24 the purpose of this section, and in the preparation of such  
25 regulations the national officer of each of such veterans'

1 organizations who is responsible for claims and rehabilitation  
2 activities shall be consulted. The commanding officer of each  
3 such military or naval installation shall cooperate fully with  
4 such authorized representatives in the providing of available  
5 space and equipment for such representatives.

6 CHAPTER III—REVIEWING AUTHORITY

7 SEC. 300. The discharge or dismissal by reason of the  
8 sentence of a general court martial of any person from the  
9 military or naval forces, or the discharge of any such per-  
10 son on the ground that he was a conscientious objector who  
11 refused to perform military duty or refused to wear the  
12 uniform or otherwise to comply with lawful orders of  
13 competent military authority, or as a deserter, or of an offi-  
14 cer by the acceptance of his resignation for the good of  
15 the service, shall bar all rights of such person, based upon  
16 the period of service from which he is so discharged or  
17 dismissed, under any laws administered by the Veterans'  
18 Administration: *Provided*, That in the case of any such  
19 person, if it be established to the satisfaction of the Ad-  
20 ministrator that at the time of the commission of the of-  
21 fense such person was insane, he shall not be precluded from  
22 benefits to which he is otherwise entitled under the laws  
23 administered by the Veterans' Administration: *And pro-*  
24 *vided further*, That this section shall not apply to any we



1 risk, Government (converted), or national service life-  
2 insurance policy.

3       SEC. 301. The Secretary of War and the Secretary of  
4 the Navy, after conference with the Administrator of Vet-  
5 erans' Affairs, are authorized and directed to establish in the  
6 War and Navy Departments, respectively, boards of review  
7 composed of five members each, whose duties shall be to  
8 review, on their own motion or upon the request of a former  
9 officer or enlisted man or woman or, if deceased, by the sur-  
10 viving spouse, next of kin, or legal representative, the type  
11 and nature of his discharge or dismissal, except a discharge  
12 or dismissal by reason of the sentence of a general court  
13 martial. Such review shall be based upon all available  
14 records of the service department relating to the person  
15 requesting such review, and such other evidence as may be  
16 presented by such person. Witnesses shall be permitted to  
17 present testimony either in person or by affidavit and the  
18 person requesting review shall be allowed to appear before  
19 such board in person or by counsel; *Provided*, That the term  
20 "counsel" as used in this section shall be construed to in-  
21 clude, among others, accredited representatives of veterans'  
22 organizations recognized by the Veterans' Administration  
23 under section 200 of the Act of June 29, 1936 (Public Law  
24 Numbered 844, Seventy-fourth Congress). Such board shall  
25 have authority, except in the case of a discharge or dismissal

1 by reason of the sentence of a general court martial, to  
 2 change, correct, or modify any discharge or dismissal, and to  
 3 issue a new discharge in accord with the facts presented to  
 4 the board. The Articles of War and the Articles for the  
 5 Government of the Navy are hereby amended to authorize  
 6 the Secretary of War and the Secretary of the Navy to  
 7 establish such boards of review, the findings thereof to be  
 8 final subject only to review by the Secretary of War or the  
 9 Secretary of the Navy, respectively: *Provided*, That no  
 10 request for review by such board of a discharge or dismissal  
 11 under the provisions of this section shall be valid unless filed  
 12 within fifteen years after such discharge or dismissal or within  
 13 fifteen years after the effective date of this Act whichever  
 14 be the later.

15 SEC. 302. (a) The Secretary of War, the Secretary of  
 16 the Navy, and the Secretary of the Treasury are authorized  
 17 and directed to establish, from time to time, boards of review  
 18 composed of five commissioned officers, two of whom shall  
 19 be selected from the Medical Corps of the Army or Navy,  
 20 or from the Public Health Service, as the case may be. It  
 21 shall be the duty of any such board to review, at the request  
 22 of any officer retired or released to inactive service, without  
 23 pay, for physical disability pursuant to the decision of a  
 24 retiring board or board of medical survey, the findings and

1 decision of such retiring board or board of medical survey.  
2 Such review shall be based upon all available service records  
3 relating to the officer requesting such review, and such  
4 other evidence as may be presented by such officer. Wit-  
5 nesses shall be permitted to present testimony either in person  
6 or by affidavit, and the officer requesting review shall be  
7 allowed to appear before such board of review in person or by  
8 counsel. In carrying out its duties under this section such  
9 board of review shall have the same powers as exercised by, or  
10 vested in, the retiring board whose findings and decision are  
11 being reviewed. The proceedings and decision of each such  
12 board of review affirming or reversing the decision of the  
13 retiring board shall be transmitted to the Secretary of War,  
14 the Secretary of the Navy, or the Secretary of the Treasury,  
15 as the case may be, and shall be laid by him before the  
16 President for his approval or disapproval and orders in the  
17 case.

18       ~~(b)~~ No request for review under this section shall be  
19 valid unless filed within fifteen years after the date of retire-  
20 ment for disability or after the effective date of this Act,  
21 whichever is the later.

22       ~~(c)~~ As used in this section—

23               ~~(1)~~ the term "officer" means any officer subject to  
24 the laws granting retirement for active service in the



1 Army, Navy, Marine Corps, or Coast Guard, or any of  
2 their respective components;

3 ~~(2)~~ The term "counsel" shall have the same mean-  
4 ing as when used in section 304 of this Act.

## 5 TITLE II

### 6 CHAPTER IV—EDUCATION OF VETERANS

7 SEC. 400. ~~(a)~~ Subsection ~~(f)~~ of section 1, title I,  
8 Public Law Numbered 2, Seventy-third Congress, added  
9 by the Act of March 24, 1943 (Public Law Numbered 16,  
10 Seventy-eighth Congress), is hereby amended to read as  
11 follows:

12 "~~(f)~~ Any person who served in the active military or  
13 naval forces on or after September 16, 1940, and prior to  
14 the termination of hostilities in the present war, shall be  
15 entitled to vocational rehabilitation subject to the provisions  
16 and limitations of Veterans Regulation Numbered 1 ~~(a)~~,  
17 as amended, part VII, or to education or training subject  
18 to the provisions and limitations of part VIII."

19 ~~(b)~~ Veterans Regulation Numbered 1 ~~(a)~~, is hereby  
20 amended by adding a new part VIII, as follows:

#### 21 "PART VIII

22 "1. Any person who served in the active military or  
23 naval service on or after September 16, 1940, and prior  
24 to the termination of the present war, and who shall have

1 been discharged or released therefrom under conditions other  
2 than dishonorable, and whose education or training was  
3 impeded, delayed, interrupted, or interfered with by reason  
4 of his entrance into the service, or who desires a refresher  
5 or retraining course, and who either shall have served ninety  
6 days or more, exclusive of any period he was assigned for  
7 a course of education or training under the Army specialized  
8 training program or the Navy college training program,  
9 which course was a continuation of his civilian course and  
10 was pursued to completion, or as a cadet or midshipman  
11 at one of the service academies, or shall have been dis-  
12 charged or released from active service by reason of an  
13 actual service-incurred injury or disability, shall be eligible  
14 for and entitled to receive education or training under this  
15 part: *Provided*, That such course shall be initiated not later  
16 than four years after either the date of his discharge or  
17 the termination of the present war, whichever is the later:  
18 *Provided further*, That no such education or training shall  
19 be afforded beyond nine years after the termination of the  
20 present war: *And provided further*, That any such person  
21 who was not over 25 years of age at the time he entered  
22 the service shall be deemed to have had his education or  
23 training impeded, delayed, interrupted, or interfered with.  
24       “2. Any such eligible person shall be entitled to educa-  
25 tion or training, or a refresher or retraining course, at an

1 approved educational or training institution, for a period  
2 of one year (or the equivalent thereof in continuous part-time  
3 study), or for such lesser time as may be required for the  
4 course of instruction chosen by him. Upon satisfactory com-  
5 pletion of such course of education or training, according to  
6 the regularly prescribed standards and practices of the insti-  
7 tutions, except a refresher or retraining course, such person  
8 shall be entitled to an additional period or periods of educa-  
9 tion or training, not to exceed the time such person was in  
10 the active service on or after September 16, 1940, and  
11 before the termination of the war, exclusive of any period  
12 he was assigned for a course of education or training under  
13 the Army specialized training program or the Navy college  
14 training program, which course was a continuation of his  
15 civilian course and was pursued to completion, or as a cadet  
16 or midshipman at one of the service academies, but in no  
17 event shall the total period of education or training exceed  
18 four years: *Provided*, That his work continues to be satis-  
19 factory throughout the period, according to the regularly  
20 prescribed standards and practices of the institution: *Pro-*  
21 *vided, however*, That wherever the additional period of in-  
22 struction ends during a quarter or semester and after a major  
23 part of such quarter or semester has expired, such period of  
24 instruction shall be extended to the termination of such  
25 unexpired quarter or semester.



1       “3 (a) Such person shall be eligible for and entitled to  
 2 such course of education or training as he may elect, and at  
 3 any approved educational or training institution at which he  
 4 chooses to enroll, whether or not located in the State in which  
 5 he resides, which will accept or retain him as a student or  
 6 trainee in any field or branch of knowledge which such  
 7 institution finds him qualified to undertake or pursue: *Pro-*  
 8 *vided*, That, for reasons satisfactory to the Administrator,  
 9 he may change a course of instruction: *And provided further*,  
 10 That any such course of education or training may be dis-  
 11 continued at any time, if it is found by the Administrator  
 12 that, according to the regularly prescribed standards and  
 13 practices of the institution, the conduct or progress of such  
 14 person is unsatisfactory.

15       “(b) Any such eligible person may apply for a short,  
 16 intensive, postgraduate or vocational training course of less  
 17 than 30 weeks: *Provided*, That the Administrator shall  
 18 have the authority to contract with approved institutions  
 19 for such courses if he finds that the agreed cost of such  
 20 courses is reasonable and fair: *Provided further*, That the  
 21 limitation of paragraph 5 shall not prevent the payment of  
 22 such agreed rates, but there shall be charged against the  
 23 veteran's period of eligibility the proportion of an ordinary  
 24 school year which the cost of the course bears to \$500.

25       “4. From time to time the Administrator shall secure

1 from the appropriate agency of each State a list of the edu-  
2 cational and training institutions (including industrial estab-  
3 lishments), within such jurisdiction, which are qualified and  
4 equipped to furnish education or training (including ap-  
5 prenticeship and refresher or retraining training), which in-  
6 stitutions, together with such additional ones as may be  
7 recognized and approved by the Administrator, shall be  
8 deemed qualified and approved to furnish education or  
9 training to such persons as shall enroll under this part: *Pro-*  
10 *vided*, That wherever there are established State apprentice-  
11 ship agencies expressly charged by State laws to administer  
12 apprentice training, whenever possible, the Administrator  
13 shall utilize such existing facilities and services in training  
14 on the job when such training is of one year's duration or  
15 more.

16 "5. The Administrator shall pay to the educational or  
17 training institution, for each person enrolled in full time, part  
18 time, or correspondence course of education or training, the  
19 customary cost of tuition, and such laboratory, library, health,  
20 infirmary, and other similar fees as are customarily charged,  
21 and may pay for books, supplies, equipment, and other  
22 necessary expenses, exclusive of board, lodging, other living  
23 expenses, and travel, as are generally required for the suc-  
24 cessful pursuit and completion of the course by other students  
25 in the institution: *Provided*, That in no event shall such

1 payments, with respect to any person, exceed \$500 for an  
2 ordinary school year: *Provided further*, That no payments  
3 shall be made to institutions, business or other estab-  
4 lishments furnishing apprentice training on the job: *And*  
5 *provided further*, That if any such institution has no estab-  
6 lished tuition fee, or if its established tuition fee shall be found  
7 by the Administrator to be inadequate compensation to such  
8 institution for furnishing such education or training, he is  
9 authorized to provide for the payment, with respect to any  
10 such person, of such fair and reasonable compensation as  
11 will not exceed \$500 for an ordinary school year.

12 “6. While enrolled in and pursuing a course other  
13 than a course in a correspondence school under this part,  
14 such person, upon application to the Administrator, shall  
15 be paid a subsistence allowance of \$60 per month, if  
16 without a dependent or dependents, or \$85 per month, if  
17 he has a dependent or dependents, including regular holidays  
18 and leave not exceeding thirty days in a calendar year.  
19 Such person attending a course on a part-time basis, and  
20 such person receiving compensation for productive labor  
21 performed as part of their apprentice or other training on  
22 the job at institutions, business or other establishments, shall  
23 be entitled to receive such lesser sums, if any, as subsistence  
24 or dependency allowances, as may be determined by the  
25 Administrator: *Provided*, That any such person eligible



1 under this part, and within the limitations thereof, may pursue  
2 such full-time or part-time course or courses as he may elect,  
3 without subsistence allowance.

4 “7. Any such person eligible for the benefits of this  
5 part, who is also eligible for the benefit of part VII, may  
6 elect which benefit he desires: *Provided*, That, in the event  
7 of such election, subsistence, allowance hereunder shall not  
8 exceed the amount of additional pension payable for training  
9 under said part VII.

10 “8. No department, agency, or officer of the United  
11 States, in carrying out the provisions of this part, shall exer-  
12 cise any supervision or control, whatsoever, over any State  
13 educational agency, or State apprenticeship agency, or any  
14 educational or training institution: *Provided*, That nothing  
15 in this section shall be deemed to prevent any department,  
16 agency, or officer of the United States from exercising any  
17 supervision or control which such department, agency, or  
18 officer is authorized, by existing provisions of law, to exer-  
19 cise over any Federal educational or training institution, or  
20 to prevent the furnishing of education or training under this  
21 part in any institution over which supervision or control is  
22 exercised by such other department, agency, or officer under  
23 authority of existing provisions of law.

24 “9. The Administrator of Veterans' Affairs is authorized

1 and empowered to administer this title, and, insofar as he  
2 deems practicable, shall utilize existing facilities and services  
3 of Federal and State departments and agencies on the basis  
4 of mutual agreements with them. Consistent with and sub-  
5 ject to the provisions and limitations set forth in this title,  
6 the Administrator shall, from time to time, prescribe and  
7 promulgate such rules and regulations as may be necessary  
8 to carry out its purposes and provisions.

9       “10. The Administrator may arrange for educational  
10 and vocational guidance to persons eligible for education and  
11 training under this part. At such intervals as he deems  
12 necessary, he shall make available information respecting  
13 the need for general education and for training personnel in  
14 the various crafts, trades, and professions: *Provided*, That  
15 facilities of other Federal agencies collecting such informa-  
16 tion shall be utilized to the extent he deems practicable.

17       “11. As used in this part, the term ‘educational or  
18 training institutions’ shall include all public or private ele-  
19 mentary, secondary, and other schools furnishing education  
20 for adults, business schools and colleges, correspondence  
21 schools, scientific and technical institutions, colleges, voca-  
22 tional schools, junior colleges, teachers colleges, normal  
23 schools, professional schools, universities, and other educa-  
24 tional institutions, and shall also include business or other

1 establishments providing apprentice or other training on  
2 the job, including those under the supervision of an ap-  
3 proved college or university or any State department of  
4 education, or any State apprenticeship agency or State  
5 board of vocational education, or any State apprenticeship  
6 council or the Federal Apprentice Training Service  
7 established in accordance with Public, Numbered 308, Sev-  
8 enty-fifth Congress, or any agency in the executive branch  
9 of the Federal Government authorized under other laws to  
10 supervise such training."

11 "12. The Government shall pay for these correspondence  
12 courses quarterly as the course is completed.

13 "13. No correspondence school shall be approved unless  
14 it was in existence prior to the date of this Act.

15 SEC. 401. Section 3, Public Law Numbered 16,  
16 Seventy-eighth Congress, is hereby amended to read as  
17 follows:

18 "SEC. 3. The appropriation for the Veterans' Adminis-  
19 tration, 'Salaries and expenses, medical and hospital, and  
20 compensation and pensions', shall be available for necessary  
21 expenses under part VII, as amended, or part VIII of  
22 Veterans Regulation Numbered 1 (a), and there is hereby  
23 authorized to be appropriated such additional amount or  
24 amounts as may be necessary to accomplish the purposes



1 thereof. Such expenses may include, subject to regulations  
2 issued by the Administrator and in addition to medical care,  
3 treatment, hospitalization, and prosthesis, otherwise author-  
4 ized, such care, treatment, and supplies as may be necessary  
5 to accomplish the purposes of part VII, as amended, or  
6 part VIII of Veterans Regulations Numbered 1 (a).

7 SEC. 402. Public Law Numbered 46, Seventy-eighth  
8 Congress, is hereby amended by adding thereto a new  
9 section 4 to read as follows:

10 "SEC. 4. Any books, supplies, or equipment furnished  
11 a trainee or student under part VII or part VIII of Veterans  
12 Regulation Numbered 1 (a) shall be deemed released to  
13 him: *Provided*, That if he fail, because of fault on his part  
14 to complete the course of training or education afforded  
15 thereunder, he may be required, in the discretion of the  
16 Administrator, to return any or all of such books, supplies,  
17 or equipment not actually expended or to repay the reason-  
18 able value thereof."

19 SEC. 403. Paragraph 1, part VII, Veterans Regulation  
20 Numbered 1 (a) (Public Law Numbered 46, Seventy-  
21 eighth Congress), is hereby amended by inserting after the  
22 word "time" the words "on or" and deleting the date  
23 "December 6, 1941" and substituting therefor the date  
24 "September 16, 1940".

1 TITLE III—LOANS FOR THE PURCHASE OR CON-  
2 STRUCTION OF HOMES, FARMS, AND BUSI-  
3 NESS PROPERTY

4 CHAPTER V—GENERAL PROVISIONS FOR LOANS

5 SEC. 500. (a) Any person who shall have served in  
6 active military or naval service of the United States at any  
7 time on or after September 16, 1940, and prior to the  
8 termination of the present war, and who shall have been  
9 discharged or released therefrom under conditions other  
10 than dishonorable after active service of ninety days or  
11 more, or by reason of an injury or disability incurred in  
12 service in line of duty, shall be eligible for benefits of this  
13 title. Any such veteran may apply within six years after  
14 separation from the military or naval forces, or six years  
15 after termination of the war, whichever is the later date,  
16 but in no event more than eight years after the termination  
17 of the war, to any of the established lending agencies here-  
18 inafter set forth for a loan for the purposes set forth in the  
19 title in any amount that may be agreed upon between the  
20 lender and the veteran, and when such a loan is made by  
21 the lender the lender is automatically guaranteed 50 per  
22 centum of the loan by the Administrator of Veterans' Affairs  
23 and this Act is the guaranty: *Provided*, That the aggregate  
24 amount guaranteed shall not exceed \$2,000: *Provided*

1 *further*, That no loan shall be negotiated until thirty days  
2 after the date of the veteran's discharge.

3 (b) Interest for the first year on that part of the loan  
4 guaranteed shall be paid by the Administrator out of avail-  
5 able appropriations.

6 (c) The liability under the guaranty, within the lim-  
7 itations of this title, shall decrease or increase pro rata  
8 with any decrease or increase of the amount of the unpaid  
9 portion of the obligation: *Provided*, That loans guaranteed  
10 shall bear interest at a rate not exceeding 4 per centum per  
11 annum and shall be payable in full in not more than twenty  
12 years.

#### 13 CERTIFICATE OF ELIGIBILITY

14 SEC. 504. (a) An honorable discharge shall be the  
15 veteran's certificate of eligibility to apply for a guaranteed  
16 loan. All veterans who have a discharge other than honor-  
17 able or dishonorable shall receive from the Administrator upon  
18 request after discharge a certificate of eligibility. Upon the  
19 making of a loan as provided herein the lender shall en-  
20 dorse on the back of the honorable discharge or certificate,  
21 in lieu of discharge or certificate of eligibility, the date and  
22 amount of the loan and shall also forthwith transmit to the  
23 Administrator a statement setting forth the full name and  
24 serial number of the veteran, amount and terms of the loan,  
25 and the legal description of the property. No approval of



1 the loan shall be required from the Administrator. Loans  
2 may be made by any Federal Reserve bank, National bank,  
3 State bank, private bank, building and loan association,  
4 insurance company, or mortgage and loan company estab-  
5 lished prior to the date of this Act, and any other lending  
6 institution or any person approved by the Administrator.

7       (b) All national banks wherever located and all other  
8 banks and trust companies located in the District of Columbia  
9 and other Territories and possessions of the United States,  
10 without regard to the limitations and restrictions of any other  
11 statute or ruling of the Federal Reserve Board, are authorized  
12 to make any loans guaranteed under the provisions of the  
13 Servicemen's Readjustment Act of 1944, as the same is now  
14 or may hereby be amended.

15               PURCHASE OR CONSTRUCTION OF HOMES

16       SEC. 502. (a) Any application made by a veteran  
17 under this title for a loan to be used in purchasing resi-  
18 dential property or in constructing a dwelling on un-  
19 improved property owned by him to be occupied as his home  
20 may be approved if the lender finds—

21       (1) that the proceeds of such loans will be used  
22 for payment for such property to be purchased or con-  
23 structed by the veteran;

24       (2) that the contemplated terms of payment re-  
25 quired in any mortgage to be given in part payment

1 of the purchase price or the construction cost bear a  
 2 proper relation to the veteran's present and anticipated  
 3 income and expense; and that the nature and condition  
 4 of the property is such as to be suitable for dwelling  
 5 purposes; and

6 ~~(3)~~ that the purchase price paid or to be paid  
 7 by the veteran for such property or the construction  
 8 cost, including the value of the unimproved lot, does  
 9 not exceed the reasonable value thereof as determined  
 10 by the lender's appraisal.

11 ~~(b)~~ Any application for a loan under this section for  
 12 the purpose of making repairs, alterations, or improvements  
 13 in, or paying delinquent indebtedness, taxes, or special assess-  
 14 ments on residential property owned by the veteran and used  
 15 by him as his home, may be approved by the lender if the  
 16 proceeds of such loan will be used for such purpose or  
 17 purposes.

18 ~~(c)~~ No first mortgage shall be ineligible for insurance  
 19 under the National Housing Act, as amended, by reason of  
 20 any loan guaranteed under this title, or by reason of any sec-  
 21 ondary lien upon the property involved securing such loan.

#### 22 PURCHASE OF FARMS AND FARM EQUIPMENT

23 SEC. 503. Any application made under this title for the  
 24 guaranty of a loan to be used in purchasing any land, building,  
 25 livestock, equipment, machinery, or implements, or in re-

1 pairing, altering, or improving any buildings or equipment,  
 2 to be used in farming operations conducted by the applicant,  
 3 may be approved if the lender finds—

4       (1) that the proceeds of such loan will be used in  
 5 payment for real or personal property purchased or to  
 6 be purchased by the veteran, or for repairing, altering, or  
 7 improving any buildings or equipment, to be used in bona  
 8 fide farming operations conducted by him;

9       (2) that such property will be useful in and reason-  
 10 ably necessary for efficiently conducting such operations;

11       (3) that the ability and experience of the veteran,  
 12 and nature of the proposed farming operations to be con-  
 13 ducted by him, are such that there is a reasonable likeli-  
 14 hood that such operations will be successful; and

15       (4) that the purchase price paid or to be paid by  
 16 the veteran for such property does not exceed the reason-  
 17 able value thereof as determined by the lender's appraisal.

18               PURCHASE OF BUSINESS PROPERTY

19       SEC. 504. Any application made under this title for the  
 20 guaranty of a loan to be used in purchasing any business,  
 21 land, buildings, supplies, equipment, machinery, or tools, to  
 22 be used by the applicant in pursuing a gainful occupation  
 23 (other than farming) may be approved if the lender finds—

24       (1) that the proceeds of such loan will be used for



1 payment for real or personal property purchased or  
2 to be purchased by the veteran and used by him in  
3 the bona fide pursuit of such gainful occupation;

4 (2) that such property will be useful in and  
5 reasonably necessary for the efficient and successful  
6 pursuit of such occupation;

7 (3) that the ability and experience of the veteran,  
8 and the conditions under which he proposes to pursue  
9 such occupation, are such that there is a reasonable  
10 likelihood that he will be successful in the pursuit of  
11 such occupation; and

12 (4) that the purchase price paid or to be paid by  
13 the veteran for such property does not exceed the  
14 reasonable value thereof as determined by the lender's  
15 appraisal.

16 SEC. 505. In the event the veteran defaults in the pay-  
17 ment of his loan and after suit or foreclosure and sale the  
18 deficiency is determined, then upon notification from the  
19 lender, the Administrator of Veterans' Affairs shall pay  
20 to the lender its guaranty not in excess of \$2,000 and not  
21 in excess of the deficiency, and be subrogated to the rights  
22 of the lender to the extent of the amount paid on the  
23 guaranty: *Provided*, That prior to suit or foreclosure the  
24 lender shall notify the Administrator, and within thirty days  
25 thereafter the Administrator may, at his option, pay the

1 lender the unpaid balance of the loan plus accrued  
2 interest and receive an assignment of the loan and security  
3 and thereafter sue or foreclose in the name of the Veterans'  
4 Administration.

## 5 TITLE IV

### 6 CHAPTER VI—EMPLOYMENT OF VETERANS

7 SEC. 600. (a) In the enactment of the provisions of  
8 this title Congress declares as its intent and purpose that  
9 there shall be an effective job counseling and employment  
10 placement service for veterans, and that, to this end, policies  
11 shall be promulgated and administered, so as to provide for  
12 them the maximum of job opportunity in the field of gain-  
13 ful employment. For the purpose there is hereby created  
14 to cooperate with and assist the United States Employment  
15 Service, as established by the provisions of the Act of June  
16 6, 1933, a Veterans' Placement Service Board, which shall  
17 consist of the Administrator of Veterans' Affairs, as Chair-  
18 man, the Director of the National Selective Service System,  
19 and the Administrator of the Federal Security Agency, or  
20 whoever may have the responsibility of administering the  
21 functions of the United States Employment Service. The  
22 Board shall determine all matters of policy relating to the  
23 administration of the Veterans' Employment Service of the  
24 United States Employment Service.

25 (b) The Chairman of the Board shall have direct

1 authority and responsibility for carrying out its policies  
2 through the veterans' employment representatives in the  
3 several States or through persons engaged in activities au-  
4 thorized by subsection (g) of section 8 of the Selective  
5 Service Act of 1940 (Public Law 783, Seventy-sixth Con-  
6 gress, approved September 16, 1940, as amended (U. S.  
7 C., title 50, sec. 308)). The Chairman may delegate such  
8 authority to an executive secretary who shall be appointed  
9 by him and who shall thereupon be the Chief of the Veter-  
10 ans' Employment Service of the United States Employment  
11 Service.

12 (e) The public records of the Veterans' Personnel Divi-  
13 sion, National Selective Service System, and the Veterans'  
14 Employment Service of the United States Employment  
15 Service shall be available to the Board.

16 SEC. 601. The United States Employment Service shall  
17 assign to each of the States a veterans' employment repre-  
18 sentative, who shall be a veteran of the wars of the United  
19 States separated from active service under honorable condi-  
20 tions, who at the time of appointment shall have been a bona  
21 fide resident of the State for at least two years, and who shall  
22 be appointed, subject to the approval of the Board, in accord-  
23 ance with the civil-service laws, and whose compensation  
24 shall be fixed in accordance with the Classification Act of  
25 1923, as amended. Each such veterans' employment repre-



1   tentative shall be attached to the staff of the public employ-  
2   ment service in the State to which he has been assigned. He  
3   shall be administratively responsible to the Board, through  
4   its executive secretary, for the execution of the Board's vet-  
5   erans' placement policies through the public employment  
6   service in the State. In cooperation with the public employ-  
7   ment service staff in the State, he shall—

8           (a) be functionally responsible for the supervision  
9           of the registration of veterans in local employment offices  
10          for suitable types of employment and for placement of  
11          veterans in employment;

12          (b) assist in securing and maintaining current in-  
13          formation as to the various types of available employ-  
14          ment in public works and private industry or business;

15          (c) promote the interest of employers in employing  
16          veterans;

17          (d) maintain regular contact with employers and  
18          veterans' organizations with a view of keeping em-  
19          ployers advised of veterans available for employment  
20          and veterans advised of opportunities for employment;  
21          and

22          (e) assist in every possible way in improving work-  
23          ing conditions and the advancement of employment of  
24          veterans.

25   SEC. 602. Where deemed necessary by the Board, there

1 shall be assigned by the administrative head of the employ-  
2 ment service in the State one or more employees; preferably  
3 veterans; of the staffs of local employment service offices;  
4 whose services shall be primarily devoted to discharging  
5 the duties prescribed for the veterans' employment repre-  
6 sentative.

7       SEC. 603. All Federal agencies shall furnish the Board  
8 such records, statistics, or information as may be deemed  
9 necessary or appropriate in administering the provisions of  
10 this title; and shall otherwise cooperate with the Board in  
11 providing continuous employment opportunities for veterans.

12       SEC. 604. The Federal agency administering the United  
13 States Employment Service shall maintain that Service as an  
14 operating entity and, during the period of its administration,  
15 shall effectuate the provisions of this title.

16       SEC. 605. (a) The Board through its executive secre-  
17 tary shall estimate the funds necessary for the proper and  
18 efficient administration of this title; such estimated sums shall  
19 include the annual amounts necessary for salaries, rents,  
20 printing and binding, travel, and communications. Sums  
21 thus estimated shall be included as a special item in the  
22 annual budget of the United States Employment Service.  
23 Any funds appropriated pursuant to this special item as con-  
24 tained in the budget of the United States Employment Service  
25 shall not be available for any purpose other than that for

1 which they were appropriated, except with the approval of  
2 the Board.

3 (b) The War Manpower Commission shall from its  
4 current appropriation allocate and make available sufficient  
5 funds to carry out the provisions of this title during the  
6 current fiscal year.

7 SEC. 606. The term "United States Employment Serv-  
8 ice" as used in this title means that bureau created by the  
9 provisions of the Act of June 6, 1933, or such successor  
10 agencies as from time to time shall perform its functions and  
11 duties, as now performed by the War Manpower Commission.

12 SEC. 607. The term "veteran" as used in this title shall  
13 mean a person who served in the active service of the armed  
14 forces during a period of war in which the United States  
15 has been, or is, engaged, and who has been discharged or  
16 released therefrom under conditions other than dishonorable.

## 17 TITLE V

### 18 CHAPTER VII—READJUSTMENT ALLOWANCES FOR 19 FORMER MEMBERS OF THE ARMED FORCES WHO 20 ARE UNEMPLOYED

21 SEC. 700. (a) Any person who shall have served in  
22 the active military or naval service of the United States at  
23 any time after September 16, 1940, and prior to the ter-  
24 mination of the present war, and who shall have been  
25 discharged or released from active service under conditions



1 other than dishonorable, after active service of ninety days  
 2 or more, or by reason of an injury or disability incurred in  
 3 service in line of duty, shall be entitled, in accordance with  
 4 the provisions of this title and regulations issued by the  
 5 Administrator of Veterans' Affairs pursuant thereto, to re-  
 6 ceive a readjustment allowance as provided herein for each  
 7 week of unemployment, not to exceed a total of fifty-two  
 8 weeks, which ~~(1)~~ begins after the first Sunday of the third  
 9 calendar month after the date of enactment hereof, and  
 10 ~~(2)~~ occurs not later than two years after discharge or re-  
 11 lease or the termination of the war, whichever is the later  
 12 date: *Provided*, That no such allowance shall be paid for  
 13 any period for which he receives increased pension under  
 14 part VII of Veterans Regulation 1 ~~(a)~~ or a subsistence  
 15 allowance under part VIII of such regulation: *Provided*  
 16 *further*, That no readjustment allowance shall be payable  
 17 for any week commencing more than five years after the  
 18 termination of hostilities in the present war.

19 ~~(b)~~ Such person shall be deemed eligible to receive  
 20 an allowance for any week of unemployment if claim is  
 21 made for such allowance and the Administrator finds with  
 22 respect to such week that—

23 ~~(1)~~ the person is residing in the United States at  
 24 the time of such claim;

(2) the person is completely unemployed, having performed no service and received no wages, or is partially unemployed in that services have been performed for less than a full workweek and the wages for the week are less than the allowance under this title plus \$3;

(3) the person is registered with and continues to report to a public employment office, in accordance with its regulations;

(4) the person is able to work and available for suitable work: *Provided*, That no claimant shall be considered ineligible in any period of continuous unemployment for failure to comply with the provisions of this subparagraph if such failure is due to an illness or disability which occurs after the commencement of such period.

#### CHAPTER VIII—DISQUALIFICATIONS

SEC. 800. (a) Notwithstanding the provisions of section 700, a claimant shall be disqualified from receiving an allowance if—

(1) he leaves suitable work voluntarily, without good cause, or is suspended or discharged for misconduct in the course of employment;

(2) he, without good cause, fails to apply for suitable work to which he has been referred by a public em-

ployment office, or to accept suitable work when offered him; or

~~(3)~~ he, without good cause, does not attend an available free training course as required by regulations issued pursuant to the provisions of this title.

~~(b)~~ Notwithstanding the provisions of section 700, a claimant shall also be disqualified from receiving an allowance for any week with respect to which it is found that his unemployment is due to a stoppage of work which exists because of a labor dispute at the factory, establishment, or other premises at which he is or was last employed: *Provided*, That this subsection shall not apply if it is shown that—

~~(1)~~ he is not participating in or directly interested in the labor dispute which causes the stoppage of work; and

~~(2)~~ he does not belong to a grade or class of workers of which, immediately before the commencement of the stoppage there were members employed at the premises at which the stoppage occurs, any of whom are participating in or directly interested in the dispute: *Provided, however*, That if in any case separate branches of work, which are commonly conducted as separate business in separate premises, are conducted in separate departments of the same premises, each such department



1 shall, for the purposes of this subsection, be deemed to be  
2 a separate factory, establishment, or other premises.

3 ~~(c) (1)~~ If a claimant is disqualified under the provisions  
4 of subsection ~~(a)~~ of this section, he shall be disqualified to  
5 receive any readjustment allowance for the week in which  
6 the cause of his disqualification occurred and for not more  
7 than four immediately following weeks.

8 ~~(2)~~ In addition to the disqualification prescribed in  
9 paragraph ~~(1)~~ above, the Administrator may, in cases of  
10 successive disqualifications under the provisions of subsection  
11 ~~(a)~~ of this section, extend the period of disqualification for  
12 such additional period as the Administrator may prescribe,  
13 but not to exceed eight additional weeks in the case of any  
14 one disqualification.

15 ~~(d) (1)~~ In determining under subsection ~~(a)~~ of this  
16 section the suitability of work or the existence of good cause  
17 with respect to a claimant, the conditions and standards pre-  
18 scribed by the unemployment compensation laws of the  
19 State in which he files his claim shall govern: *Provided,*  
20 That the Administrator may prescribe conditions and  
21 standards for applicants in any State having no applicable  
22 statute.

23 ~~(2)~~ In determining under subsection ~~(a)~~ of this section  
24 the suitability of work, no work shall be deemed suitable  
25 for an individual if—

(A) the position offered is vacant due directly to a strike, lock-out, or other labor dispute; or

(B) the wages, hours, or other conditions of the work offered are substantially less favorable to him than those prevailing for similar work in the locality.

#### CHAPTER IX—AMOUNT OF ALLOWANCE AND PAYMENT

SEC. 900. (a) The allowance for a week shall be \$20 less that part of the wages payable to him for such week which is in excess of \$3: *Provided*, That where the allowance is not a multiple of \$1, it shall be computed to the next highest multiple of \$1.

(b) The number of weeks of allowances to which each eligible veteran shall be entitled shall be determined as follows: For each calendar month or major fraction thereof of active service during the period stated in section 700 the veteran shall be entitled to four weeks of allowances, but in no event to exceed the maximum provided in section 700: *Provided*, That the allowance for the qualifying ninety days service shall be eight weeks for each such month.

SEC 901. (a) Readjustment allowances shall be paid at the intervals prescribed by the unemployment compensation law of the State in which the claim was made: *Provided*, That if none are so prescribed readjustment allowances shall be paid at such reasonable intervals as may be determined by the Administrator.

1       ~~(b)~~ Any allowances remaining unpaid upon the death  
2 of a claimant shall not be considered a part of the assets of  
3 the estate of the claimant, or liable for the payment of his  
4 debts, or subject to any administration of his estate, and the  
5 Administrator may make payment thereof to such person  
6 or persons he finds most equitably entitled thereto.

7       SEC. 902. ~~(a)~~ Any person qualified under subsection  
8 ~~(a)~~ of section 700, and residing in the United States who is  
9 self-employed for profit in an independent establishment,  
10 trade, business, profession, or other vocation shall be eligible  
11 for readjustment allowances under this title within the time  
12 periods applicable, and not in excess of the total amount  
13 provided in this title.

14       ~~(b)~~ Upon application by the veteran showing, in  
15 accordance with rules prescribed by the Administrator, that  
16 he has been fully engaged in such self-employment and that  
17 his net earnings in a trade, business, profession, or vocation,  
18 have been less than \$100 in the previous calendar month,  
19 the veteran shall be entitled to receive, subject to the limita-  
20 tions of this title as to time and amount, the difference (ad-  
21 justed to the next highest multiple of \$1), between \$100  
22 and his net earnings for such month.

23       ~~(c)~~ Payment of such allowance shall be made by the  
24 Administrator to each eligible veteran at the time and in



1 the manner other payments are made directly to veterans  
2 by the Administrator.

3 ~~(d)~~ Subsection ~~(b)~~ of section 700 and section 800 shall  
4 not apply in determining the eligibility for allowances of a  
5 claimant under this section.

## 6 CHAPTER X.—ADJUSTMENT OF DUPLICATE BENEFITS

7 SEC. 1000. Where an allowance is payable to a claim-  
8 ant under this title and where, for the same period, either  
9 an allowance or benefit is received under any Federal or  
10 State unemployment or disability compensation law, the  
11 amount received or accrued from such other source shall be  
12 subtracted from the allowance payable under this title (ex-  
13 cept that this section shall not apply to pension, compensa-  
14 tion, or retired pay paid by the Veterans' Administration);  
15 and the resulting allowances, if not a multiple of \$1, shall  
16 be readjusted to the next higher multiple of \$1.

## 17 CHAPTER XI—ADMINISTRATION

18 SEC. 1100. (a) The Administrator of Veterans' Affairs  
19 is authorized to administer this title and shall, insofar as  
20 possible, utilize existing facilities and services of Federal  
21 and State departments or agencies on the basis of mutual  
22 agreements with such departments or agencies. Such agree-  
23 ments shall provide for the filing of claims for readjustment  
24 allowances with the Administrator through established pub-  
25 lic employment offices and State unemployment-compen-

1 sation agencies. Such agencies, through agreement, shall  
2 also be utilized in the processing, adjustment, and deter-  
3 mination of such claims and the payment of such allowances.  
4 To facilitate the carrying out of agreements with State de-  
5 partments or agencies and to assist in the discharge of the  
6 Administrator's duties under this title, a representative of  
7 the Administrator, who shall be a war veteran separated  
8 from active service under honorable conditions and who at  
9 the time of appointment shall have been a bona fide resident  
10 of the State for at least two years, shall be located in each  
11 participating State department or agency.

12 (b) The Administrator, consistent with the provisions of  
13 this title, shall prescribe such rules and regulations and re-  
14 quire such records and reports as he may find necessary to  
15 carry out its purposes: *Provided, however,* That cooperative  
16 rules and regulations relating to the performance by Federal  
17 or State departments, or agencies, of functions under agree-  
18 ments made therewith may be made by the Administrator  
19 after consultation and advisement with representatives of  
20 such departments or agencies.

21 (c) The Administrator may delegate to any officer or  
22 employee of his own or of any cooperating department or  
23 agency of any State such of his powers and duties, except  
24 that of prescribing rules and regulations, as the Admin-

1    istrator may consider necessary and proper to carry out the  
2    purposes of this title.

3       ~~(d)~~ Allowances paid by the cooperating State agencies  
4    shall be repaid upon certification by the Administrator. The  
5    Secretary of the Treasury, through the Division of Disburse-  
6    ment of the Treasury, and without the necessity of audit and  
7    settlement by the General Accounting Office, shall pay  
8    monthly to the departments, agencies, or individuals desig-  
9    nated, the amounts so certified.

10       ~~(e)~~ The Administrator shall from time to time certify  
11    to the Secretary of the Treasury for payment in advance  
12    or otherwise such sums as he estimates to be necessary to  
13    compensate any Federal department or agency for its ad-  
14    ministrative expenses under this title. Such sums shall  
15    cover periods of no longer than six months.

16       ~~(f)~~ The Administrator shall also from time to time  
17    certify to the Social Security Board such State departments  
18    or agencies as may be participating in the administration of  
19    this title, and the amount of the administrative expense in-  
20    curred or to be incurred by a State under agreements made  
21    pursuant to this section. Upon such certification the Social  
22    Security Board shall certify such amount to the Secretary  
23    of the Treasury, in addition to the amount, if any, payable  
24    by said Board under the provisions of section 302 (a) of  
25    the Social Security Act, as amended, and the additional



1 amount so certified shall be paid to each State by the Sec-  
2 retary of the Treasury out of the appropriation for the  
3 Veterans' Administration.

4 ~~(g)~~ Any money paid to any cooperating agency or  
5 person, which is not used for the purpose for which it was  
6 paid shall, upon termination of the period covered by such  
7 payment or the agreement with such agency or person, be  
8 returned to the Treasury and credited to the current appro-  
9 priation for carrying out the purpose of this title, or, if  
10 returned after the expiration of period covered by this title,  
11 shall be covered into the Treasury as miscellaneous receipts.

12 SEC. 1101. ~~(a)~~ No person designated by the Adminis-  
13 trator as a certifying officer shall, in the absence of gross  
14 negligence, or intent to defraud the United States, be liable  
15 with respect to the payment of any allowance certified by  
16 him under this title.

17 ~~(b)~~ No disbursing officer shall, in the absence of gross  
18 negligence, or intent to defraud the United States, be liable  
19 with respect to any payment by him under this title if it  
20 was based upon a voucher signed by a certifying officer  
21 designated by the Administrator.

22 SEC. 1102. Any claimant whose claim for an allowance  
23 has been denied shall be entitled to a fair hearing before  
24 an impartial tribunal of the State agency or such other  
25 agency as may be designated by the Administrator. The

1 representative of the Administrator located in each State  
2 shall be the final appellate authority in regard to contested  
3 claims arising in such State, subject to review by the  
4 Administrator.

5       SEC. 1103. In the case of any veteran eligible under  
6 the provisions of this title who either at the time of applica-  
7 tion for the benefits herein provided is a "qualified employee"  
8 as defined in section 3 of the Railroad Unemployment In-  
9 surance Act, as amended, or was last employed prior to such  
10 application by an employer as defined in section 1 (a) of  
11 the said Act, claim may be made through an office operated  
12 by or a facility designated as a free employment office by  
13 the Railroad Retirement Board pursuant to the provisions  
14 of said Act. In such cases, the conditions and standards as  
15 to suitability of work or existence of good cause, the inter-  
16 vals for making claim for and payment of benefits, and the  
17 administrative and appellate procedures prescribed by or  
18 under said Act shall govern, if not in conflict with the pro-  
19 visions of this title, the appellate procedures being subject  
20 to final appeal to the Administrator. In such cases, a ref-  
21 erence in this title to a cooperating State agency shall be  
22 deemed to include the Railroad Retirement Board.

## 23       CHAPTER XII—DECISIONS AND PROCEDURES

24       SEC. 1200. The authority to issue subpoenas and pro-  
25 visions for invoking aid of the courts of the United States

1 in case of disobedience thereto, to make investigations, and  
2 to administer oaths, as contained in title III of the Act  
3 of June 29, 1936 (49 Stat. 2033-34; U. S. C., title 38,  
4 secs. 131-133), shall be applicable in the administration of  
5 this title.

#### 6 CHAPTER XIII—PENALTIES

7 SEC. 1300. Any claimant who knowingly accepts an  
8 allowance to which he is not entitled shall be ineligible to  
9 receive any further allowance under this title.

10 SEC. 1301. (a) Whoever, for the purpose of causing  
11 an increase in any allowance authorized under this title, or  
12 for the purpose of causing any allowance to be paid where  
13 none is authorized under this title, shall make or cause to be  
14 made any false statement or representation as to any wages  
15 paid or received, or whoever makes or causes to be made  
16 any false statement of a material fact in any claim for any  
17 allowance under this title, or whoever makes or causes to  
18 be made any false statement, representation, affidavit, or  
19 document in connection with such claim, shall be guilty of  
20 a misdemeanor and upon conviction thereof shall be fined  
21 not more than \$1,000 or imprisoned for not more than one  
22 year, or both.

23 (b) Whoever shall obtain or receive any money, check,  
24 or allowance under this title, without being entitled thereto  
25 and with intent to defraud the United States, shall be pun-



1   ished by a fine of not more than \$1,000 or by imprison-  
2   ment for not more than one year, or both.

3                   CHAPTER XIV—DEFINITIONS

4       SEC. 1400. As used in this title—

5       (a) The term “week” means such period or periods of  
6   seven consecutive calendar days as may be prescribed in  
7   regulations by the Administrator.

8       (b) The term “wages” means all remuneration for  
9   services from whatever sources, including commissions and  
10   bonuses and the cash value of all remuneration in any  
11   medium other than cash.

12                   TITLE VI

13   CHAPTER XV.—GENERAL ADMINISTRATIVE AND PENAL  
14                   PROVISIONS

15       SEC. 1500. Except as otherwise provided in this Act,  
16   the administrative, definitive, and penal provisions under  
17   Public, Numbered 2, Seventy-third Congress, as amended,  
18   and the provisions of Public, Numbered 262, Seventy-fourth  
19   Congress, as amended (38 U. S. C. 450, 451, 454a, and  
20   556a), shall be for application under this Act. For the  
21   purpose of carrying out any of the provisions of Public,  
22   Numbered 2, as amended, and this Act, the Administrator  
23   shall have authority to accept uncompensated services, and  
24   to enter into contracts or agreements with private or public

1 agencies, or persons, for necessary services, including personal  
2 services, as he may deem practicable.

3 SEC. 1501. Except as otherwise specified, the appro-  
4 priations for the Veterans' Administration are hereby made  
5 available for expenditures necessary to carry out the pro-  
6 visions of this Act and there is hereby authorized to be ap-  
7 propriated such additional amounts as may be necessary to  
8 accomplish the purposes of this Act.

9 SEC. 1502. Wherever used in this Act, unless the con-  
10 text otherwise requires, the singular includes the plural; the  
11 masculine includes the feminine; the term "Administrator"  
12 means the Administrator of Veterans' Affairs; the term  
13 "United States" used geographically means the several  
14 States, Territories and possessions, and the District of Co-  
15 lumbia; the term "State" means the several States, Terri-  
16 tories and possessions, and the District of Columbia; and the  
17 phrases "termination of hostilities in the present war", "ter-  
18 mination of the present war", and "termination of the war",  
19 mean termination of the war as declared by Presidential  
20 proclamation or concurrent resolution of the Congress.

21 SEC. 1503. A discharge or release from active service  
22 under conditions other than dishonorable shall be a prerequi-  
23 site to entitlement to veterans' benefits provided by this Act  
24 or Public Law Numbered 2, Seventy-third Congress, as  
25 amended.

1        SEC. 1504. The Administrator shall transmit to the Con-  
2 gress annually a report of operations under this Act. If the  
3 Senate or the House of Representatives is not in session, such  
4 reports shall be transmitted to the Secretary of the Senate  
5 or the Clerk of the House of Representatives, as the case  
6 may be.

7        SEC. 1505. In the event there shall hereafter be author-  
8 ized any allowance in the nature of adjusted compensation,  
9 any benefits received by, or paid for, any veteran under this  
10 Act shall be charged against and deducted from such ad-  
11 justed compensation; and in the event a veteran has obtained  
12 a loan under the terms of this Act, the agency disbursing  
13 such adjusted compensation shall first pay the unpaid bal-  
14 ance and accrued interest due on such loan to the holder of  
15 the evidence of such indebtedness to the extent that the  
16 amount of adjusted compensation which may be payable  
17 will permit.

18        SEC. 1506. (a) Before any proposed regulation or  
19 order to carry out the purposes of this Act shall be issued  
20 by any governmental agency exercising authority conferred  
21 hereunder, other than intraagency administrative rules or  
22 orders governing the conduct of its activities or inter-  
23 agency rules governing relations with other agencies of the  
24 Government, a draft thereof shall be submitted to the Com-  
25 mittee on Finance of the Senate of the United States and to



1 the Committee on World War Veterans' Legislation of the  
2 House of Representatives for study, to consider whether such  
3 rule or regulation is made in conformity with the spirit,  
4 letter, intent, and purpose of this Act, and that no unusual  
5 or unexpected use of powers herein granted is proposed.  
6 Such regulation or order may be approved or disapproved  
7 by the Committee on Finance of the Senate or by the  
8 Committee on World War Veterans' Legislation of the  
9 House of Representatives, or a duly authorized subcom-  
10 mittee of either. In the absence of action by either com-  
11 mittee approving or disapproving such regulation or order,  
12 it may go into effect not earlier than the fifteenth day  
13 following, but not including the date of the receipt of  
14 the draft of such proposed regulation or order by chairmen  
15 of such committees. If sooner approved by either com-  
16 mittee it may go into effect immediately upon such approval.  
17 Disapproval of such regulation or order by either committee  
18 shall suspend its issuance: *Provided*, That in the event of  
19 conflicting committee actions the earlier action shall govern.

20 (b) For the purposes of this section the Committee  
21 on Finance of the Senate and the Committee on World War  
22 Veterans' Legislation of the House of Representatives, or  
23 any duly authorized subcommittees thereof, are authorized to  
24 sit and act during the sessions, recesses, and adjourned  
25 periods of the Congress.

1       ~~(e)~~ This section shall be effective from the date of its  
2   approval.

3   *That the second sentence of section 100 of the Servicemen's*  
4   *Readjustment Act of 1944, as amended, is amended to read*  
5   *as follows: "The Administrator is authorized, for the pur-*  
6   *pose of extending benefits to veterans and dependents, and to*  
7   *the extent he deems necessary, to procure the necessary space*  
8   *for administrative, clinical, medical, and out-patient treat-*  
9   *ment purposes by lease, purchase, or construction of buildings,*  
10   *or by condemnation or declaration of taking, pursuant to*  
11   *existing statutes."*

12       *SEC. 2. Section 200 of the Servicemen's Readjustment*  
13   *Act of 1944, as amended, is amended by adding at the end*  
14   *thereof the following new subsection:*

15       *"(c) The Administrator of Veterans' Affairs is further*  
16   *authorized at his discretion and under such regulations as*  
17   *he may prescribe to furnish necessary space and suitable*  
18   *office facilities for the use of paid full-time representatives*  
19   *of such organizations, with reimbursement on an actual cost*  
20   *basis."*

21       *SEC. 3. Section 302 (a) of the Servicemen's Read-*  
22   *justment Act of 1944, as amended, is amended to read as*  
23   *follows:*

24       *"SEC. 302. (a) The Secretary of War, the Secretary*  
25   *of the Navy, and the Secretary of the Treasury are author-*

1 ized and directed to establish, from time to time, boards of  
2 review composed of five commissioned officers, two of whom  
3 shall be selected from the Medical Corps of the Army or  
4 Navy, or from the Public Health Service, as the case may be.  
5 It shall be the duty of any such board to review, at the re-  
6 quest of any officer retired or released from active service,  
7 without pay, for physical disability pursuant to the decision  
8 of a retiring board, board of medical survey, or disposition  
9 board, the findings and decisions of such board. Such re-  
10 view shall be based upon all available service records relating  
11 to the officer requesting such review, and such other evi-  
12 dence as may be presented by such officer. Witnesses shall  
13 be permitted to present testimony either in person or by  
14 affidavit, and the officer requesting review shall be allowed  
15 to appear before such board of review in person or by  
16 counsel. In carrying out its duties under this section such  
17 board of review shall have the same powers as exercised by,  
18 or vested in, the board whose findings and decision are be-  
19 ing viewed. The proceedings and decision of each such  
20 board of review affirming or reversing the decision of  
21 any such retiring board, board of medical survey, or  
22 disposition board shall be transmitted to the Secretary  
23 of War, the Secretary of the Navy, or the Secretary of the  
24 Treasury, as the case may be, and shall be laid by him



1 before the President for his approval or disapproval and  
2 orders in the case.”

3 SEC. 4. (a) Paragraph 1 of part VIII of Veterans  
4 Regulation Numbered 1 (a), as amended, is amended to  
5 read as follows:

6 “1. Any person who served in the active military or  
7 naval service on or after September 16, 1940, and prior to  
8 the termination of the present war, and who shall have been  
9 discharged or released therefrom under conditions other than  
10 dishonorable, and who either shall have served ninety days  
11 or more, exclusive of any period he was assigned for a  
12 course of education or training under the Army specialized  
13 training program or the Navy college training program,  
14 which course was a continuation of his civilian course and  
15 was pursued to completion, or as a cadet or midshipman at  
16 one of the service academies, or shall have been discharged  
17 or released from active service by reason of an actual service-  
18 incurred injury or disability, shall be eligible for and entitled  
19 to receive education or training under this part: Provided,  
20 That such course shall be initiated not later than four  
21 years after either the date of his discharge or the termination  
22 of the present war, whichever is the later: Provided further,  
23 That no such education or training shall be afforded be-  
24 yond nine years after the termination of the present war.”

1       (b) Paragraph 2 of part VIII of such Regulation is  
2 amended to read as follows:

3       “2. Any such eligible person shall be entitled to educa-  
4 tion or training at an approved educational or training insti-  
5 tution for a period of one year plus the time such person  
6 was in the active service on or after September 16, 1940, and  
7 before the termination of the war, exclusive of any period he  
8 was assigned for a course of education or training under the  
9 Army specialized training program or the Navy college  
10 training program, which course was a continuation of his  
11 civilian course and was pursued to completion, or as a cadet  
12 or midshipman at one of the service academies, but in no  
13 event shall the total period of education or training exceed  
14 four years: Provided, That his work continues to be satis-  
15 factory throughout the period, according to the regularly  
16 prescribed standards and practices of the institution: Pro-  
17 vided further, That wherever the period of eligibility ends  
18 during a quarter or semester and after a major part of  
19 such quarter or semester has expired, such period shall be  
20 extended to the termination of such unexpired quarter or  
21 semester.”

22       (c) Paragraph 3 of part VIII of such Regulation is  
23 amended to read as follows:

24       “3. (a) Such person shall be eligible for and entitled to

1 such course of education or training, full time or the equiva-  
2 lent thereof in part-time training, as he may elect, and at any  
3 approved educational or training institution at which he  
4 chooses to enroll, whether or not located in the State in which  
5 he resides, which will accept or retain him as a student or  
6 trainee in any field or branch of knowledge which such insti-  
7 tution finds him qualified to undertake or pursue: Provided,  
8 That, for reasons satisfactory to the Administrator, he may  
9 change a course of instruction: And provided further, That  
10 any such course of education or training may be discontinued  
11 at any time, if it is found by the Administrator that, according  
12 to the regularly prescribed standards and practices of the  
13 institution, the conduct or progress of such person is unsatis-  
14 factory.

15 “(b) Any such eligible person may apply for a short,  
16 intensive postgraduate, or training course of less than thirty  
17 weeks: Provided, That the Administrator shall have the  
18 authority to contract with approved institutions for such  
19 courses if he finds that the agreed cost of such courses is rea-  
20 sonable and fair: Provided further, That the limitation of  
21 paragraph 5 shall not prevent the payment of such agreed  
22 rates, but there shall be charged against the veteran's period  
23 of eligibility the proportion of an ordinary school year which  
24 the cost of the course bears to \$500.

25 “(c) Any such eligible person may apply for a course



1 of instruction by correspondence without any maintenance  
2 allowance: Provided, That the Administrator shall have  
3 authority to contract with approved institutions for such  
4 courses if he finds that the agreed cost of such courses is rea-  
5 sonable and fair: Provided further, (1) That the provisions  
6 of paragraph 5 shall not apply to correspondence courses;  
7 (2) that one-fourth of the elapsed time in following such  
8 course shall be charged against the veteran's period of eligi-  
9 bility; and (3) that the total amount payable for a corre-  
10 spondence course or courses for any veteran shall not exceed  
11 \$500: And provided further, That nothing herein shall be  
12 construed to preclude the use of approved correspondence  
13 courses as a part of institutional or job training, subject to  
14 regulations prescribed by the Administrator."

15 (d) Paragraph 5 of part VIII of such Regulation is  
16 amended to read as follows:

17 "5. The Administrator shall pay to the educational or  
18 training institution, for each person enrolled in full time  
19 or part time course of education or training, the customary  
20 cost of tuition, and such laboratory, library, health, in-  
21 firmary, and other similar fees as are customarily charged,  
22 and may pay for books, supplies, equipment, and other  
23 necessary expenses, exclusive of board, lodging, other liv-  
24 ing expenses, and travel, as are generally required for the  
25 successful pursuit and completion of the course by other

1 students in the institution: Provided, That in no event  
2 shall such payments, with respect to any person, exceed  
3 \$500 for an ordinary school year: Provided further, That  
4 no payments shall be made to institutions, business or other  
5 establishments furnishing apprentice training on the job:  
6 And provided further, That any institution may apply to  
7 the Administrator for an adjustment of fees and the Ad-  
8 ministrator, if he finds that the customary charges are  
9 insufficient to permit the institution to furnish education or  
10 training to eligible veterans, or inadequate compensation  
11 therefor, may provide by agreement for the payment of such  
12 fair and reasonable compensation as will not exceed the  
13 actual cost of teaching personnel and supplies for instruc-  
14 tion, and not exceeding \$500 for an ordinary school year,  
15 inclusive of all charges and supplies; and may in like  
16 manner readjust such payments from time to time in consid-  
17 eration of increased or decreased enrollment and available  
18 contributions to meet such costs, whether from public or  
19 private funds.”

20 (c) Effective on the first day of the first calendar month  
21 subsequent to the date of enactment of this Act, the first  
22 sentence of paragraph 6 of part VIII of such Regulation  
23 is amended to read as follows:

24 “6. While enrolled in and pursuing a course under  
25 this part, such person, upon application to the Administrator,

1 shall be paid a subsistence allowance of \$65 per month,  
2 if without a dependent or dependents, or \$90 per month,  
3 if he has a dependent or dependents, including regular holi-  
4 days and leave not exceeding thirty days in a calendar year.”

5 (f) Paragraph 7 of part VIII of such Regulation is  
6 amended to read as follows:

7 “7. Any such person eligible for the benefits of this  
8 part, who is also eligible for the benefit of part VII, may  
9 elect either benefit or may be provided an approved combina-  
10 tion of such courses: Provided, That the total period of any  
11 such combined courses shall not exceed the maximum period  
12 or limitations under the part affording the greater period of  
13 eligibility.”

14 SEC. 5. Section 4 of Public Law Numbered 16,  
15 Seventy-eighth Congress, as added by section 402 of the  
16 Servicemen’s Readjustment Act of 1944, is amended by  
17 striking out the period at the end thereof and inserting in  
18 lieu thereof a colon and the following: “Provided further,  
19 That returned books, supplies, or equipment may be turned  
20 in to educational or training institutions for credit under  
21 such terms as may be approved by the Administrator, or  
22 disposed of in such other manner as may be approved by  
23 the Administrator.”

24 SEC. 6. (a) The proviso in paragraph 1 of part VII  
25 of Veterans Regulation Numbered 1 (a), as amended, is



1 amended to read as follows: "Provided, That no course  
2 of training in excess of a period of four years shall be ap-  
3 proved except with the approval of the Administrator, nor  
4 shall any training under this part be afforded beyond nine  
5 years after the termination of the present war."

6 (b) Effective on the first day of the first calendar month  
7 subsequent to the date of enactment of this Act, paragraph 3  
8 of part VII of Veterans Regulation Numbered 1 (a), as  
9 amended, is amended to read as follows:

10 "3. While pursuing training prescribed herein and for  
11 two months after his employability is determined, each veteran  
12 shall be paid the amount of subsistence allowance specified in  
13 paragraph 6 of part VIII of Veterans Regulation Numbered  
14 1 (a), as amended: Provided, That the minimum payment  
15 of such allowance, plus any pension or other benefit, shall be,  
16 for a person without a dependent, \$105 per month; and for  
17 a person with a dependent, \$115, plus the following amounts  
18 for additional dependents: (1) \$10 for one child and \$7  
19 additional for each additional child, and (2) \$15 for a de-  
20 pendent parent: Provided further, That the rates set out  
21 herein shall not be subject to the increases authorized by Pub-  
22 lic Law Numbered 312, Seventy-eighth Congress, approved  
23 May 27, 1944: And provided further, That when the course  
24 of vocational rehabilitation furnished to any person as herein  
25 provided consists of training on the job by an employer, such

1 employer shall be required to submit monthly to the Admin-  
2 istrator a statement in writing showing any wage, compen-  
3 sation, or other income paid by him to such person during the  
4 month, directly or indirectly, and based upon such written  
5 statements, the Administrator is authorized to reduce the  
6 maintenance allowance of such person to an amount consid-  
7 ered equitable and just."

8 SEC. 7. The second sentence of section 500 (a) of the  
9 Servicemen's Readjustment Act of 1944, as amended, is  
10 amended to read as follows: "Any such veteran may apply  
11 within ten years after the termination of the war, to the Ad-  
12 ministrator of Veterans' Affairs for the guaranty by the Ad-  
13 ministrator of not to exceed 50 per centum of a loan or loans  
14 for any of the purposes specified in sections 501, 502 and  
15 503: Provided, That the aggregate amount guaranteed shall  
16 not exceed \$2,000."

17 SEC. 8. (a) The first sentence of section 500 (b) of the  
18 Servicemen's Readjustment Act of 1944, as amended, is  
19 amended to read as follows: An amount equivalent to 4 per  
20 centum on the amount originally guaranteed shall be paid  
21 to the lender by the Administrator out of available appro-  
22 priations for credit upon the loan at the time the loan is  
23 closed."

24 (b) Section 500 (c) of such Act as amended, is amended  
25 to read as follows:

1       “(c) Loans guaranteed by the Administrator under  
2 this title shall be payable under such terms and conditions  
3 as may be approved by the Administrator: Provided, That  
4 the liability under the guaranty, within the limitations of  
5 this title, shall decrease or increase pro rata with any de-  
6 crease or increase of the amount of the unpaid portion of  
7 the obligation: Provided further, That loans guaranteed by  
8 the Administrator shall bear interest at a rate not exceeding  
9 4 per centum per annum and shall be payable in full in  
10 not more than twenty-five years, or in the case of loans on  
11 farm realty, in not more than forty years. The Adminis-  
12 trator is authorized and directed to guarantee loans to veter-  
13 ans subject to the provisions of this title on approved  
14 applications made to persons, firms, associations, and cor-  
15 porations and to governmental agencies and corporations,  
16 either State or Federal. Any loan at least 20 per centum of  
17 which is guaranteed by the Administrator under this title  
18 may be made by any national bank, or Federal savings and  
19 loan association; or by any bank, trust company, building  
20 and loan association, or insurance company, organized or  
21 authorized to do business in the District of Columbia; with-  
22 out regard to the limitations and restrictions of any other  
23 statute or regulation with respect to: (1) ratio of amount  
24 of loan to value of the property, (2) maturity of loan,



1 (3) requirement for mortgage or other security, or (4)—if  
2 guaranteed in full—dignity of liens.”

3       *Sec. 9. Section 501 (a) of the Servicemen’s Readjust-*  
4 *ment Act of 1944, as amended, is amended by striking out*  
5 *“on unimproved property owned by him”, and paragraph (3)*  
6 *of such section is amended to read as follows:*

7           *“(3) that the purchase price paid or to be paid*  
8 *by the veteran for such property or the construction*  
9 *cost does not exceed the reasonable value thereof as deter-*  
10 *mined by proper appraisal.”*

11       *SEC. 10. Section 501 (b) of the Servicemen’s Readjust-*  
12 *ment Act of 1944, as amended, is amended to read as follows:*

13       *“(b) Any application for the guaranty of a loan under*  
14 *this section for the purpose of making repairs, alterations, or*  
15 *improvements in residential property owned by the veteran*  
16 *and used by him as his home, may be approved by the Ad-*  
17 *ministrator if he finds that the proceeds of such loan will be*  
18 *used for such purpose or purposes.”*

19       *Sec. 11. Section 502 of the Servicemen’s Readjustment*  
20 *Act of 1944, as amended, is amended to read as follows:*

21       *“Sec. 502. Any application to be made under this title*  
22 *for the guaranty of a loan to be used in purchasing any land,*  
23 *buildings, livestock, equipment, machinery, supplies, or im-*  
24 *plements, or in repairing, altering, constructing, or improv-*

1    *ing any land, equipment, or buildings, including the farm-*  
2    *house, to be used in farming operations conducted by the*  
3    *applicant involving production in excess of his own needs or*  
4    *for working capital requirements necessary for such opera-*  
5    *tions, or to purchase stock in a cooperative association where*  
6    *the purchase of such stock is required by Federal statute as*  
7    *an incident to obtaining a loan on which a guaranty is sought,*  
8    *may be approved by the Administrator of Veterans' Affairs*  
9    *if he finds—*

10            *“(1) that the proceeds of such loan will be used*  
11            *for any such purposes in connection with bona fide farm-*  
12            *ing operations conducted by the applicant;*

13            *“(2) that such property will be useful in and*  
14            *reasonably necessary for efficiently conducting such*  
15            *operations;*

16            *“(3) that the ability and experience of the vet-*  
17            *eran, and the nature of the proposed farming operations*  
18            *to be conducted by him, are such that there is a reason-*  
19            *able likelihood that such operations will be successful;*  
20            *and*

21            *“(4) that the purchase price paid or to be paid*  
22            *by the veteran for such property does not exceed the*  
23            *reasonable value thereof as determined by proper*  
24            *appraisal.”*

1       *SEC. 12. Section 503 of the Servicemen's Readjustment*  
2 *Act of 1944, as amended, is amended to read as follows:*

3       *"SEC. 503. Any application made under this title for*  
4 *the guaranty of a loan, the proceeds of which are to be used*  
5 *for the purpose of engaging in business or for the purpose*  
6 *of pursuing a gainful occupation, whether full time or part*  
7 *time, or for the cost of acquiring for such purpose land,*  
8 *buildings, supplies, equipment, machinery, tools, inventory,*  
9 *stock in trade, or for the cost of the construction, repair,*  
10 *alteration, or improvement of any realty or equipment used*  
11 *for such purpose, or to provide the funds needed for working*  
12 *capital, may be approved on a secured or unsecured basis*  
13 *by the Administrator of Veterans' Affairs if he finds—*

14       *"(1) that the proceeds of such loan will be used*  
15 *for any of such purposes in connection with bona fide*  
16 *pursuit of such business or gainful occupation by the*  
17 *applicant;*

18       *"(2) that such property will be useful in and rea-*  
19 *sonably necessary for the efficient and successful pursuit*  
20 *of such business or occupation;*

21       *"(3) that the ability and experience of the veteran,*  
22 *and the conditions under which he proposes to pursue*  
23 *such business or occupation, are such that there is a*  
24 *reasonable likelihood that he will be successful in the*  
25 *pursuit of such business or occupation; and*



1           “(4) that the purchase price paid or to be paid by  
2       the veteran for such property does not exceed the reason-  
3       able value thereof as determined by proper appraisal.”

4       SEC. 13. Section 505 (b) of the Servicemen's Read-  
5       justment Act of 1944, as amended, is amended to read as  
6       follows:

7       “(b) Any person who is a veteran eligible for the benefits  
8       of this title, as provided in section 500 hereof, and who is  
9       found by the Secretary of Agriculture, by reason of his  
10      ability and experience, including training as a vocational  
11      trainee, to be likely to carry out successfully undertakings  
12      required of him under a loan which may be made under  
13      the Bankhead-Jones Farm Tenant Act, shall be eligible  
14      for the benefits of such Act to the same extent as if he  
15      were a farm tenant.”

16      SEC. 14. Title III of the Servicemen's Readjustment  
17      Act of 1944, as amended, is amended by adding at the  
18      end thereof the following new sections:

19      “SEC. 506. The Administrator may approve the guar-  
20      anty of a loan the purpose of which is to refinance any indebt-  
21      edness of a veteran which is secured of record on property to  
22      be used or occupied by the veteran as a home or for farming  
23      purposes, or indebtedness incurred by him in the pursuit of a  
24      gainful occupation which he is pursuing or which he pro-  
25      poses in good faith to pursue, or any delinquent taxes or

1 assessments on such property or business, provided it is found  
2 that—

3 “(1) such default or delinquency occurred not later  
4 than ten years after the termination of the war, and

5 “(2) such refinancing will aid the veteran in his  
6 economic readjustment.

7 “SEC. 507. (a) With respect to matters arising by  
8 reason of this title as now or hereafter amended and, notwith-  
9 standing the provisions of any other law, the Administrator  
10 may—

11 “(1) sue and be sued in his official capacity in any  
12 court of competent jurisdiction, State or Federal;

13 “(2) subject to specific limitations in this Act, con-  
14 sent to the modification, with respect to rate of interest,  
15 time of payment of principal or interest or any portion  
16 thereof, security or other provisions of any note, contract,  
17 mortgage or any lien instrument, with respect to which a  
18 Loan Guaranty Certificate; or an Insurance Contract,  
19 has been issued;

20 “(3) pay, or compromise, any claim on, or arising  
21 because of, such Certificate or Contract;

22 “(4) pay, compromise, waive or release any right,  
23 title, claim, lien or demand, however acquired, including  
24 any equity or any right of redemption;

25 “(5) purchase at any sale, public or private, upon

1     *such terms and for such prices as he determines to be*  
2     *reasonable; and take title to property, real, personal*  
3     *or mixed; and similarly sell at public or private sale,*  
4     *exchange, assign, convey, or otherwise dispose of any*  
5     *such property; and*

6             *“(6) complete, administer, operate, obtain and pay*  
7     *for insurance on, and maintain, renovate, repair, mod-*  
8     *ernize, lease, or otherwise deal with any property*  
9     *acquired or held pursuant to this title; provided that*  
10    *the acquisition of any such property shall not deprive*  
11    *any State or political subdivision thereof of its civil or*  
12    *criminal jurisdiction of, on, or over such property (in-*  
13    *cluding power to tax) or impair the rights under the*  
14    *State or local law of any persons on such property.*

15            *“(b) The powers by this section granted may be*  
16    *exercised by the Administrator without regard to any other*  
17    *provisions of law not enacted expressly in limitation hereof,*  
18    *which otherwise would govern the expenditure of public*  
19    *funds: Provided, That section 3709 of the Revised Statutes*  
20    *shall apply to any contract for services or supplies on ac-*  
21    *count of any property acquired pursuant to this section if*  
22    *the amount of such contract exceeds \$1,000.*

23            *“(c) The financial transactions of the Administrator*  
24    *incident to, or arising out of the guaranty of loans pursuant*  
25    *to this title, and the acquisition, management, and disposition*



1 of property, real, personal, or mixed, as incident to such activi-  
2 ties and pursuant to this section, and vouchers approved by  
3 the Administrator in connection with such transactions, shall  
4 be final and conclusive upon all officers of the Government.

5 “SEC. 508. (a) Any loans which might be guaranteed  
6 under the provisions of section 503 hereof, when made or  
7 purchased by any financial institution subject to examination  
8 and supervision by an agency of the United States or of any  
9 State or Territory, including the District of Columbia, may,  
10 in lieu of such guaranty, be insured by the Administrator  
11 under an agreement whereby he will reimburse any such  
12 institution for losses incurred on such loans up to 15 per  
13 centum of the aggregate of loans so made or purchased by it.

14 “(b) Loans insured hereunder shall be made on such  
15 other terms, conditions, and restrictions as the Administrator  
16 may prescribe within the limitations set forth in this title. The  
17 Administrator may fix the maximum rate of interest payable  
18 on any class of non-real-estate loans insured hereunder at a  
19 figure not in excess of a 3 per centum discount rate or an  
20 equivalent straight interest rate on nonamortized loans.

21 “(c) The Administrator shall pay the same amount on  
22 each loan insured hereunder as he would be required to pay  
23 under the first sentence of section 500 (b) hereof if the loan  
24 were guaranteed rather than insured.”

25 SEC. 15. Section 1505 of the Servicemen's Readjust-

1 *ment Act of 1944, as amended, is amended to read as*  
2 *follows:*

3       “SEC. 1505. *In the event there shall hereafter be*  
4 *authorized any allowance in the nature of adjusted compen-*  
5 *sation, any benefits received by, or paid for, any veteran*  
6 *under title III of this Act shall be charged against and*  
7 *deducted from such adjusted compensation; and in the event*  
8 *a veteran has obtained a loan under the terms of this Act,*  
9 *the agency disbursing such adjusted compensation shall*  
10 *first pay the unpaid balance and accrued interest due on*  
11 *such loan to the holder of the evidence of such indebtedness*  
12 *to the extent that the amount of adjusted compensation*  
13 *which may be payable will permit.”*

14       SEC. 16. *Title VI of the Servicemen’s Readjustment*  
15 *Act of 1944, as amended, is amended by adding at the*  
16 *end thereof the following new sections:*

17       “SEC. 1506. *Persons who served in the active military*  
18 *or naval service of any government allied with the United*  
19 *States in World War II and who at time of entrance into*  
20 *such active service were citizens of the United States shall,*  
21 *by virtue of such service, and if otherwise qualified, be en-*  
22 *titled to the benefits of titles II, III, IV, and V of this Act*  
23 *or of Public Law 16, Seventy-eighth Congress, in the same*  
24 *manner and to the same extent as persons who served in the*  
25 *active military or naval service of the United States: Pro-*

1 vided, That any such benefit shall not be extended to any  
2 person who is not a resident of the United States at time of  
3 filing claim or to any person who has applied for and received  
4 the same or similar benefit from the government of the nation  
5 in whose active military or naval service he served.

6 "SEC. 1507. Notwithstanding the provisions of section  
7 1503, any person while on terminal leave, or while hospital-  
8 ized pending final discharge, may be afforded the benefits  
9 of titles II and III of this Act, or vocational rehabilitation  
10 training under Public Law 16, Seventy-eighth Congress,  
11 as amended, subject to all conditions thereof except actual dis-  
12 charge. This section shall be effective from June 22, 1944."

Amend the title so as to read: "An Act to amend the  
Servicemen's Readjustment Act of 1944, and for other  
purposes."

Passed the House of Representatives July 18, 1945.

Attest:

SOUTH TRIMBLE,

Clerk.



79<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

**H. R. 3749**

[Report No. 698]

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## **AN ACT**

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To amend the Servicemen's Readjustment Act of 1944 to provide for a readjustment allowance for all veterans of World War II.

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JULY 19 (legislative day, JULY 9), 1945

Read twice and referred to the Committee on Finance

NOVEMBER 6 (legislative day, OCTOBER 29), 1945

Reported with amendments







DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE  
(Issued November 9, 1945, for actions of Thursday, November 8, 1945)

(For staff of the Department only)

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HIGHLIGHTS: Senate passed bill to liberalize GI Bill of Rights (retained provision for loan guarantee by Veterans' Administration). Senate continued debate on reorganization bill, discussing Donnell amendment providing for approval of plans by joint resolution. Sen. Willis and Rep. Hope reported on FAO conference. Sent to conference bill to pay military leave to returning servicemen. Rep. Flannagan introduced pink-boll-worm bill (had been initiated by USDA). Rep. Hays introduced bill to construct county agricultural buildings. Sen. McKellar introduced bill to preserve status, etc., of Army officers detailed to USDA.

SENATE

1. GI BILL AMENDMENTS. Passed with amendments H. R. 3749, to amend the Servicemen's Readjustment Act of 1944 (pp. 10664-~~64~~). The bill permits veterans to apply for loans within 10 years after the war (present law limits this to 2 years after separation or 5 years after the war, whichever is earlier; House version limited it to 6 years after separation but not longer than 8 years after the war). It liberalizes and clarifies the guarantee provisions but retains the basic principles of the existing law (House version provided for approval of loans by the lending agencies rather than Veterans' Administration). Another provision permits VA to pay 4% on the amount originally guaranteed (present law provides for payment of interest for the first year on the part guaranteed). It extends the maturity limitation from 20 to 25 years generally and in the case of farm realty to 40 years, and removes restrictions which preclude national banks, Federal savings and loan associations, D. C. banks, trust companies, building and loan associations, and insurance companies from participating. The present provision that loans be made at "reasonable normal value" would be amended by striking out "normal". The reference to payment of delinquent indebtedness and taxes would be made to apply to farms and business as well as homes. The bill broadens the law "so that loans can be made for every ordinary farming purpose." It makes clear the right of the Secretary of Agriculture to determine the basic eligibility of a veteran applying for loans under the Bankhead-Jones Act, by eliminating necessity of referring each case to VA for that determination. Another provision permits refinancing of indebtedness considered by the Soldiers' and Sailors' Civil Relief Act of 1940. The bill also liberalizes the education and rehabilitation features of the GI law.
2. GOVERNMENT REORGANIZATION. Continued debate on the reorganization bill, S. 1120 (pp. 10653, 10655-6, 10664, 10687-94). Most of the debate was on an amendment by Sen. Donnell, Mo., to provide for approval of reorganization plans by joint



resolution (positive law).

3. FAO CONFERENCE. Sen. Willis, Ind., described the accomplishments of the Quebec conference (pp. 10684-7).
4. LEAVE ALLOWANCES. Sens. Downey, Taylor, and Hart were appointed Senate conferees on S. 1036, which provides for payment of leave to Army and Navy officers who return to Federal employment (p. 10654).  
Reps. Ramspeck, Randolph, and Rees were appointed House conferees on the bill (p. 10729).
5. SUGAR; ALCOHOL. Received a resolution of the 5th Dist. of Kans. Federation of Women's Clubs recommending that the Government restrict the use of sugars for alcoholic beverages (p. 10651).
6. PROPERTY REQUISITION. Both Houses received from the President WPB's report on operations under the Property Requisition Act. To Military Affairs Committees. (pp. 10650, 10703.)
7. COLORADO RIVER-RIO GRANDE WATER TREATY. Agreed to Sen. Downey's (Calif.) request that Engineer Alba's (Mexico National Irrigation Commission) report on this treaty be printed as S. Doc. 98 (p. 10654). Sen. Downey inserted his letter to Secretary of State Byrnes on the subject (pp. 10654-5).
8. NOMINATIONS. Received the nominations of H.E. Gaston and R.T. Stevens to be members of the Export-Import Bank Board and Chester C. Davis to be a member of the OWMR Advisory Board and confirmed the nomination of Kenneth C. Royal to be Under Secretary of War (p. 10695).

#### HOUSE

9. FOOD AND AGRICULTURE ORGANIZATION. Rep. Hope, Kans., reported on the Quebec FAO Conference, discussed the functions of the Organization, and inserted statement on the program (pp. 10703-9).
10. FULL EMPLOYMENT. Rep. Gossett, Tex., criticized H.R. 2202, the full-employment bill, as "economically...psychologically...and philosophically unsound" (pp. 10715-8).  
Rep. Patman, Tex., spoke in favor of, and gave his interpretation of, this bill (pp. 10718-29).
11. COMMITTEE ASSIGNMENT; EXECUTIVE AGENCIES. Rep. Gore, Tenn., was appointed to replace Rep. Voorhis, Calif., (resigned) on the Select Committee to Investigate Acts of Executive Agencies Beyond the Scope of Their Authority (pp. 10696-7).
12. ADJOURNED until Mon., Nov. 12 (p. 10729).

#### ITEMS IN APPENDIX

3. PRICE CONTROL. Extension of remarks of Rep. Bennett, Mo., criticizing "OPA policy of cost absorption" by retail business and including a Missouri Grocer article on the subject (pp. A5149-50).  
Extension of remarks of Rep. Pittenger, Minn., criticizing OPA's policy of having lumber retailers absorb price increases (pp. A5138).
4. FULL EMPLOYMENT. Extension of remarks of Rep. Short, Mo., opposing the full-employment bill and including correspondence on the subject (pp. A5160-1).



ors want, the products that the consumers want. No realist can expect the millennium of a perfect no-strike, no lock-out era at once. But continued production and an expanding industry—unhampered as far as humanly possible by stoppages of work—are absolutely essential to progress.

That is the road to security at home and to peace abroad. We cannot fail in our efforts to move forward on that road.

#### THE ATOMIC BOMB—STATEMENT BY DR. HARLOW SHAPLEY

Mr. TAYLOR. Mr. President, I ask unanimous consent to have printed in the RECORD an article by Dr. Harlow Shapley, director of the Harvard Observatory, dealing with the matter of the atomic bomb and what we are to do if we are to avoid the practical extinction of mankind.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

Dr. Harlow Shapley, director of the Harvard Observatory, the Nation's best-known astronomer, and the holder of more than a score of medals and awards, including the Pope Plus XI Prize of Astronomy, recently made the following statement:

"The future, if it is to be made safe for civilization, is one in which narrowly national interests diminish and world-wide responsibilities increase." He spoke, Dr. Shapley explained, as a "hybrid of scientists and citizens" who would "describe what I see," and who found what he sees, "isn't nice." "Our leading American scientists," he continued, "especially our physicists, are almost pathologically conservative and cautious by nature and training. We should keep that in mind when we see the names of physicists by the score, and even hundreds, who are daily holding meetings protesting against legislative inanity, against the futility of saber rattling, and pointing to the necessity of 'one world' or none. They are trying to tell you the following facts: We reached the solution of the explosive release of atomic energy first, but by a narrow margin. Atomic bombs are so revolutionary when coupled with rocketry, radar control, and the like, that they make obsolete both those philosophies and those techniques of warfare and of national defense which heretofore prevailed. The effectiveness of destruction has been increased by a factor of 10,000,000 to 1. The city-killing missiles in a few brief years from now may arrive from any direction and from any distance on the surface of this planet, and arrive with accuracy and arrive with anonymity. A tremendous navy is not necessary to propel them, and a billion 18-year-old boys marching around with guns would avail nothing.

#### "NO DEFENSE"

"There is and can be no effective defense against the atomic bombs—only against the source of the bombs. These sources are human, and the solution we seek must be on the human, not the mechanical, level. The crisis created by use of atomic energy has been sudden for slow thinkers," Dr. Shapley declared. "Now mankind faces a nightmare future or the necessity to work and realize all the dreams of progress and advancement which have inspired man for uncounted generations. Should man and all that man has accomplished wither in the atomic fires just because we have no adroitness in international relations because we say that although miracles may be possible in the physical sciences they are not possible in social relations and international affairs? The alternative, the way to realize the aspirations and dreams of mankind," Dr. Shapley contended, "is for the policymakers of the great nations to recognize that the planet is too small for competing nationalities; too small because of the potentialities

of tomorrow, the brain power of man, his desires for life, friendship, and happiness are all too large and important for competing nationalities. The challenge to mankind rings like the heavy call of destiny. This is not a matter of partisan politics and this issue cannot be maneuvered around the 1946 elections. This is for independent citizens; this is for independent thinkers, and the time is now."

Mr. TAYLOR. Mr. President, it will be recalled that on October 24 I submitted a resolution calling for the creation of a world republic. Frankly, Mr. President, I was somewhat disappointed at the reaction which took place. I was not especially disappointed so far as the Senate was concerned as I did not expect Members of the Senate to rise to a resolution which had been submitted by an Idaho Senator. However, I thought it was rather startling that the press gave the resolution such little publicity. I think that the resolution is an important one. Every Member of the Senate will recall—and I do not recall it too fondly—that when I first came to the Senate members of the press asked me to go out on the Capitol steps and sing a song for them. I did so in order to oblige. They put my picture in every newspaper in the United States, including the New York Times. When I submitted the resolution calling for the creation of a world republic, I received very little mention in the newspapers with regard to the matter. In one Washington newspaper, in particular, I noticed a reference consisting of one sentence. It said in effect that another new Senator, TAYLOR, of Idaho, had introduced a resolution calling for the creation of a world republic. Next to the statement was a two-column wide picture of a man who had beat his wife on that same day.

I have no particular object in bringing this matter up. I do not know what moral I am trying to get across, whether the civilization about which I am anxiously concerned is worth saving, or what the particular point may be which is involved. Nevertheless, I am going ahead with my proposition and continue to the best of my ability. I am trying to familiarize the people with it by writing personal letters, and sending out copies of the resolution with solicitations of its support.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a copy of a letter I am addressing To Whom It May Concern, dealing with the subject matter of the resolution to which I have referred.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

#### To Whom It May Concern:

This is a letter to you from Senator GLEN TAYLOR, of Idaho.

"To whom it may concern" may seem a rather dull way to start a letter which poses the question, "What are we to do if mankind is to be saved from an atomic war which well may destroy our civilization?"

With that all-important question before us, it seems to me that when I address myself to "Whom it may concern," that should mean every civilized human being. Some uncivilized Eskimos, native tribes of the Congo, and a few others might escape the consequences of an atomic war.

Some of the rest of us might escape death only to eke out a miserable existence in a world so ruined and hopelessly destroyed as to throw mankind back into another era comparable to the Dark Ages.

What are we to do about it?

Frankly, I know of only one way to do anything that needs to be done, and that is get busy doing it. Never mind if there are those who say it cannot be done. Faith and hard work can accomplish practically anything.

Perhaps my own experiences may account for my optimism, but I also know that without faith I would never have come to this hour where I find myself in the position of being called upon to help in the solution of the most difficult crisis ever to confront mankind.

I am going to recount, briefly, my own story in the confident hope that it will inspire others to aid in accomplishing what many say is impossible. The creation of a world government with sufficient power to prevent wars and save humanity from the anguish and ordeal of a world-wide atomic war.

My father was a minister. I was raised on a small farm in northern Idaho; the twelfth of thirteen children. I rode horseback, or more often walked, 6 miles each day to obtain what formal education I enjoy.

My father's failing health forced me to strike out for myself at the age of 15.

I secured a job with a dramatic stock company and traveled over the West as an actor and manager until 1937.

As owner and manager of my own company I was hit a double blow in 1930 by the depression and the advent of talking pictures. In my travels I observed at first hand the suffering and privation of the people during those trying years. Indeed I too suffered hardship and actual hunger at times. I became deeply interested in the study of economics and political science.

A determination grew within me to do something—all that was in my power—to see that never again should the people of America go hungry in the midst of plenty.

In the fall of 1937 I established residence in my native State with the object in mind of running for office. Six months later I announced for Congress. I am sure that I was the only person in the world who had faith that I would eventually achieve my ambition.

While I may set my sights on seemingly impossible goals, I try to be practical in attaining them. I had to work with the tools at hand. At the time I had a cowboy band so I used the band to campaign. We would go into a community with our sound truck, start entertaining on Main Street, attract a big crowd, and then I would make my talk. I didn't enjoy doing this but I had to have publicity and lots of it or give up. I had no political organization. I came out fourth in a field of nine candidates in the primary. I had proven to myself that my theatrical background was not an insurmountable handicap.

In 1940 I announced for the Senate to fill the unexpired term of Senator Borah. Using the same tactics, I was nominated over strong opponents. Because I had not come up the hard way through long years of service in the party ranks the leaders of my own party refused to help and while Roosevelt carried the State by 25,000 majority and the entire State ticket was elected, I was defeated in the general election by 15,000 votes. A terrible beating in a State with a small number of voters.

The press was sure I was through. The politicians were happy. War came. I secured a job as a sheet-metal worker in a war plant. I ran again in 1942, was nominated in the primaries and again defeated in the general election but by only 4,000 votes. That was the end. Political experts and the press were certain no man could survive such a series of defeats. I returned to my war-plant job.

In 1944 I tried for the fourth time. I spent \$60 for campaign literature. That was all I could afford—no newspaper ads, no radio



talks, no band. My opponents spent thousands of dollars. I won the nomination, defeating the incumbent Senator by 216 votes. In the general election I defeated the Governor. I was finally elected United States Senator.

Despite the repeated use of the pronoun "I" this is not written boastfully, but rather to give courage to those who might think that their efforts cannot count for much in this great struggle to bring about a real brotherhood of man.

To bring action on this resolution, the people of America must raise their voices, thus making known their determination to end wars. If you know any Senators contact them personally. Write personal letters to your Representative or Senator.

Write to the President, to James Byrnes, the Secretary of State; to Edward R. Stettinius, our delegate to the United Nations Organization. Write to the Senate Foreign Relations Committee urging them to report the resolution (S. 183) out favorably. Write to your newspaper. All such letters from the people will have influence and effect. It is the only way. Try and get others to do the same.

Is all this a big job? The effect not worth the effort?

Before I went out to campaign in 1944 I wrote 3,000 letters in longhand, to everyone I knew in the State of Idaho. For every letter I wrote my opponents were spending many dollars.

Send for as many copies of this resolution as you can possibly distribute.

Your life and your children's life may depend on how earnestly you do your part toward establishing a world government capable of maintaining peace.

I have attended many meetings with the men who made the atomic bombs. They know what mortal danger we face. They are working ceaselessly to arouse the American people. I, myself, am working as many hours as I can stand. I ask and expect no less of you.

H. G. Wells, the noted historian whose predictions of things to come have proven remarkably accurate in the past, had this to say just recently. "The end of everything we call life is close at hand and cannot be evaded. There is no way out, around, or through the impasse. It is the end."

You can just pretend the situation does not exist and go on living as usual, or you can accept H. G. Wells' gloomy prophecy and prepare for the end, or you can do as many others are doing, including the scientists and myself. Refuse to admit that world government is a dream and start doing something about it. Personally, I like the slogan of the Army Service Forces; the men who built bridges under gunfire, landing fields on swamps, and the Burma Road. Here is their motto: "The impossible we do immediately; the miraculous takes a little longer."

They did it for war. We must do it for peace or perish.

#### REORGANIZATION OF GOVERNMENT AGENCIES

The Senate resumed the consideration of the bill (S. 1120) to provide for the reorganization of Government agencies, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the senior Senator from Missouri [Mr. DONNELL], which will be stated.

The LEGISLATIVE CLERK. On page 14, it is proposed to strike out beginning with line 23, down to and including line 14 on page 15, and to insert in lieu thereof the following:

SEC. 4. (a) No reorganization plan shall take effect until there shall have been enacted a joint resolution approving such plan.

Each reorganization specified in a plan which shall have been approved by the enactment of such a joint resolution shall take effect on the date of enactment of such joint resolution or on the date specified pursuant to subsection (b) with respect to such reorganization, whichever may be the later date.

Mr. DONNELL. Mr. President, I desire to be heard further upon the amendment. In view of the importance of the issues involved, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Andrews	Gurney	O'Mahoney
Austin	Hart	Overton
Ball	Hatch	Radcliffe
Barkley	Hayden	Reed
Bilbo	Hickenlooper	Revercomb
Brewster	Hill	Robertson
Bridges	Hoe	Russell
Brooks	Huffman	Saltonstall
Buck	Johnson, Colo.	Smith
Bushfield	Johnston, S. C.	Stewart
Butler	Knowland	Taft
Byrd	Langer	Taylor
Capper	Lucas	Thomas, Okla.
Carville	McClellan	Tunnell
Chavez	McKellar	Tydings
Connally	McMahon	Vandenberg
Cordon	Magnuson	Wagner
Donnell	Maybank	Walsh
Downey	Millikin	Wheeler
Eastland	Moore	Wiley
Ellender	Morse	Willis
Ferguson	Murdock	Wilson
George	Myers	Young
Guffey	O'Daniel	

The PRESIDING OFFICER. Seventy-one Senators having answered to their names, a quorum is present.

#### AMENDMENTS TO GI BILL OF RIGHTS

Mr. JOHNSON of Colorado. Mr. President, will the Senator from Missouri yield to me?

Mr. DONNELL. I yield.

Mr. JOHNSON of Colorado. I ask unanimous consent that the Senate proceed to the consideration of House bill 3749, to amend the Servicemen's Readjustment Act of 1944, to provide for a readjustment allowance for all veterans of World War II, commonly known as the GI bill of rights.

Mr. MURDOCK. Mr. President, reserving the right to object, I simply want to call the attention of the Senate to the fact that the procedure now suggested is typical of the way Congress has been dealing with the subject of reorganization. In my opinion it is indicative of the interest the Senate of the United States, at least, takes in reorganization. The other day the debate on the reorganization bill was interrupted, and the bill was displaced by the Pearl Harbor discussion. Today the Senator from Colorado comes forward with a bill amending the GI bill of rights and asks unanimous consent to displace the reorganization bill in order to take up the GI bill.

In this instance, Mr. President, I think the Senator from Colorado is wholly justified in asking that the unfinished business be laid aside in order, as I understand, to clarify the GI bill of rights respecting the question of loans and other subjects contained in the bill. Certainly I would be the last Member of the Senate to object to the immediate consideration of that legislation. When I reserved objection I did so only to call

attention to the apparent lack of interest of the Senate of the United States in reorganization. It is hard to keep a quorum present. I predict now that unless Congress is willing to allow the President of the United States some latitude respecting reorganization, reorganization will simply be hopeless.

Mr. President, I do not object to the request made by the Senator from Colorado.

Mr. TAFT. Mr. President, reserving the right to object, I do not think we ought to set aside the pending bill for another bill. I object to the request of the Senator from Colorado. It seems to me that the reorganization bill is of very great importance. I think we ought to consider it or not consider it. If we are not to consider it today, perhaps it ought to go over until next week, when a greater number of Senators will be present. But if we are to consider it this week, I think we should consider it now, and not set it aside for any other measure.

Mr. MURDOCK. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. MURDOCK. The Senator from Colorado came to me and asked if I would object, and he assured me that not more than 30 minutes would be required to dispose of the bill he has in charge. I do not know, and neither does any other Senator, how long a time will be required. On the assurance of the distinguished Senator from Colorado that not more than 30 minutes would be required, it was agreeable to me temporarily to suspend consideration of the reorganization bill to take up the other bill. However, Mr. President, I shall insist that immediately on the disposition of the GI bill—unless the Senator from Ohio insists on his objection—consideration of the reorganization bill be resumed and continued.

Mr. TAFT. Mr. President, under those circumstances I object to setting aside the unfinished business.

The PRESIDING OFFICER. Objection is heard, and the bill cannot be considered.

Mr. JOHNSON of Colorado. Mr. President, I should like to be recognized, regardless of what the views of the Chair are.

The PRESIDING OFFICER. Objection has been made.

Mr. JOHNSON of Colorado. Will the Chair please recognize me so that I may ask the Senator from Missouri [Mr. DONNELL] to yield?

Mr. DONNELL. I yield to the Senator from Colorado.

Mr. JOHNSON of Colorado. I am sure that the Senator from Ohio [Mr. TAFT] does not wish to be discourteous. Before the Senator from Ohio makes his final decision in the matter I should like to say to him that so far as I am personally concerned, next week would be soon enough to consider the bill amending the Servicemen's Readjustment Act of 1944. However, the Senator from Georgia [Mr. GEORGE], who is very much interested in veterans' legislation, and who has always led in veterans' legislation in the Senate, will be compelled to be absent from the Senate next week.



He is very anxious to dispose of the bill before he leaves.

So far as the 30-minute limitation is concerned, I do not know how long a time will be required to dispose of the bill. It was unanimously reported favorably to the Senate by the Committee on Finance. Amendments may be offered from the floor. I know of one or two, but I do not believe they will be controversial. I do not believe it will take long to dispose of them. Unless something unforeseen arises, not very much time will be consumed. But if it develops that more time will be required, and if considerable debate arises, any Senator may at any time call for the regular order, and the GI bill will have to be set aside.

It is important that this measure be enacted soon, because it liberalizes the loan provisions to some extent, which is necessary, and also liberalizes the educational features of the GI law. So far as I am concerned, and I am sure so far as the committee is concerned, with the exception of the Senator from Georgia, next week, or when we finish with Senate bill 1120, would be satisfactory.

I hope the Senator from Ohio will withdraw his objection.

Mr. TAFT. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. TAFT. Am I to understand that if the bill is taken up in this way, under the procedure proposed, it may be set aside at any time by calling for the regular order?

The PRESIDING OFFICER. The Senator is correct.

Mr. TAFT. I am very much interested in the amendments to the GI bill of rights. We considered them in detail in the Senate Committee on Finance. They are very important amendments, though I do not think they are so important as the bill now before the Senate.

The Senate may not appear to be taking a great interest in the theory of the pending bill, but Senators take a very active interest when it is proposed to transfer a bureau or agency from one department to another. Another reason why there is no apparent interest is that the present discussion involves a constitutional theory in which individual Senators apparently have not a great deal of interest.

Under the circumstances, and with the understanding that if consideration of the other bill is not concluded in an hour or so we may call for the regular order, I withdraw my objection.

Mr. JOHNSON of Colorado. I thank the Senator from Ohio.

Mr. DONNELL. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DONNELL. Am I correct in understanding that upon resuming the consideration of Senate bill 1120 after the bill amending the GI bill of rights has been disposed of, the pending amendment, offered by myself, will be the pending question?

The PRESIDING OFFICER. The amendment of the Senator from Missouri will be the pending question.

Is there objection to the request of the Senator from Colorado?

There being no objection, the Senate proceeded to consider the bill (H. R. 3749) to amend the Servicemen's Readjustment Act of 1944 to provide for a readjustment allowance for all veterans of World War II, which had been reported from the Committee on Finance, with an amendment, to strike out all after the enacting clause and insert:

That the second sentence of section 100 of the Servicemen's Readjustment Act of 1944, as amended, is amended to read as follows: "The Administrator is authorized, for the purpose of extending benefits to veterans and dependents, and to the extent he deems necessary, to procure the necessary space for administrative, clinical, medical, and out-patient treatment purposes by lease, purchase, or construction of buildings, or by condemnation or declaration of taking, pursuant to existing statutes."

SEC. 2. Section 200 of the Servicemen's Readjustment Act of 1944, as amended, is amended by adding at the end thereof the following new subsection:

"(c) The Administration of Veterans' Affairs is further authorized at his discretion and under such regulations as he may prescribe to furnish necessary space and suitable office facilities for the use of paid full-time representatives of such organizations, with reimbursement on an actual cost basis."

SEC. 3. Section 302 (a) of the Servicemen's Readjustment Act of 1944, as amended, is amended to read as follows:

"SEC. 302. (a) The Secretary of War, the Secretary of the Navy, and the Secretary of the Treasury are authorized and directed to establish, from time to time, boards of review composed of five commissioned officers, two of whom shall be selected from the Medical Corps of the Army or Navy, or from the Public Health Service, as the case may be. It shall be the duty of any such board to review, at the request of any officer retired or released from active service, without pay, for physical disability pursuant to the decision of a retiring board, board of medical survey, or disposition board, the findings and decisions of such board. Such review shall be based upon all available service records relating to the officer requesting such review, and such other evidence as may be presented by such officer. Witnesses shall be permitted to present testimony either in person or by affidavit, and the officer requesting review shall be allowed to appear before such board of review in person or by counsel. In carrying out its duties under this section such board of review shall have the same powers as exercised by, or vested in, the board whose findings and decision are being viewed. The proceedings and decision of each such board of review affirming or reversing the decision of any such retiring board, board of medical survey, or disposition board shall be transmitted to the Secretary of War, the Secretary of the Navy, or the Secretary of the Treasury, as the case may be, and shall be laid by him before the President for his approval or disapproval and orders in the case."

SEC. 4. (a) Paragraph 1 of part VIII of Veterans Regulation Numbered 1 (a), as amended, is amended to read as follows:

"1. Any person who served in the active military or naval service on or after September 16, 1940, and prior to the termination of the present war, and who shall have been discharged or released therefrom under conditions other than dishonorable, and who either shall have served 90 days or more, exclusive of any period he was assigned for a

course of education or training under the Army specialized training program or the Navy college training program, which course was a continuation of his civilian course and was pursued to completion, or as a cadet or midshipman at one of the service academies, or shall have been discharged or released from active service by reason of an actual service-incurred injury or disability, shall be eligible for and entitled to receive education or training under this part: *Provided*, that such course shall be initiated not later than 4 years after either the date of his discharge or the termination of the present war, whichever is the later: *Provided further*, that no such education or training shall be afforded beyond 9 years after the termination of the present war."

(b) Paragraph 2 of part VIII of such regulation is amended to read as follows:

"2. Any such eligible person shall be entitled to education or training at an approved educational or training institution for a period of 1 year plus the time such person was in the active service on or after September 16, 1940, and before the termination of the war, exclusive of any period he was assigned for a course of education or training under the Army specialized training program or the Navy college training program, which course was a continuation of his civilian course and was pursued to completion, or as a cadet or midshipman at one of the service academies, but in no event shall the total period of education or training exceed 4 years: *Provided*, That his work continues to be satisfactory throughout the period, according to the regularly prescribed standards and practices of the institution: *Provided further*, That wherever the period of eligibility ends during a quarter or semester and after a major part of such quarter or semester has expired, such period shall be extended to the termination of such unexpired quarter or semester."

(c) Paragraph 3 of part VIII of such regulation is amended to read as follows:

"3. (a) Such person shall be eligible for and entitled to such course of education or training, full time or the equivalent thereof in part-time training, as he may elect, and at any approved educational or training institution at which he chooses to enroll, whether or not located in the State in which he resides, which will accept or retain him as a student or trainee in any field or branch of knowledge which such institution finds him qualified to undertake or pursue: *Provided*, That, for reasons satisfactory to the Administrator, he may change a course of instruction: *And provided further*, That any such course of education or training may be discontinued at any time, if it is found by the Administrator that, according to the regularly prescribed standards and practices of the institution, the conduct or progress of such person is unsatisfactory.

"(b) Any such eligible person may apply for a short, intensive postgraduate, or training course of less than 30 weeks: *Provided*, That the Administrator shall have the authority to contract with approved institutions for such courses if he finds that the agreed cost of such courses is reasonable and fair: *Provided further*, That the limitation of paragraph 5 shall not prevent the payment of such agreed rates, but there shall be charged against the veteran's period of eligibility the proportion of an ordinary school year which the cost of the course bears to \$500.

"(c) Any such eligible person may apply for a course of instruction by correspondence without any maintenance allowance: *Provided*, That the Administrator shall have authority to contract with approved institutions for such courses if he finds that the agreed cost of such courses is reasonable and fair: *Provided further*, (1) That the provi-



sions of paragraph 5 shall not apply to correspondence courses; (2) that one-fourth of the elapsed time in following such course shall be charged against the veteran's period of eligibility; and (3) that the total amount payable for a correspondence course or courses for any veteran shall not exceed \$500: *And provided further*, That nothing herein shall be construed to preclude the use of approved correspondence courses as a part of institutional or job training, subject to regulations prescribed by the Administrator."

(d) Paragraph 5 of part VIII of such regulation is amended to read as follows:

"5. The Administrator shall pay to the educational or training institution, for each person enrolled in full time or part-time course of education or training, the customary cost of tuition, and such laboratory, library, health, infirmary, and other similar fees as are customarily charged, and may pay for books, supplies, equipment, and other necessary expenses, exclusive of board, lodging, other living expenses, and travel, as are generally required for the successful pursuit and completion of the course by other students in the institution: *Provided*, That in no event shall such payments, with respect to any person, exceed \$500 for an ordinary school year: *Provided further*, That no payments shall be made to institutions, business, or other establishments furnishing apprentice training on the job; *And provided further*, That any institution may apply to the Administrator for an adjustment of fees and the Administrator, if he finds that the customary charges are insufficient to permit the institution to furnish education or training to eligible veterans, or inadequate compensation therefor, may provide by agreement for the payment of such fair and reasonable compensation as will not exceed the actual cost of teaching personnel and supplies for instruction, and not exceeding \$500 for an ordinary school year, inclusive of all charges and supplies; and may in like manner readjust such payments from time to time in consideration of increased or decreased enrollment and available contributions to meet such costs, whether from public or private funds."

(e) Effective on the first day of the first calendar month subsequent to the date of enactment of this act, the first sentence of paragraph 6 of part VIII of such regulation is amended to read as follows:

"6. While enrolled in and pursuing a course under this part, such person, upon application to the Administrator, shall be paid a subsistence allowance of \$65 per month, if without a dependent or dependents, or \$90 per month if he has a dependent or dependents, including regular holidays and leave not exceeding 30 days in a calendar year."

(f) Paragraph 7 of part VIII of such regulation is amended to read as follows:

"7. Any such person eligible for the benefits of this part, who is also eligible for the benefit of part VII, may elect either benefit or may be provided an approved combination of such courses: *Provided*, That the total period of any such combined courses shall not exceed the maximum period or limitations under the part affording the greater period of eligibility."

Sec. 5. Section 4 of Public Law No. 16, Seventy-eighth Congress, as added by section 402 of the Servicemen's Readjustment Act of 1944, is amended by striking out the period at the end thereof and inserting in lieu thereof a colon and the following: "*Provided further*, That returned books, supplies, or equipment may be turned in to educational or training institutions for credit under such terms as may be approved by the Administrator, or disposed of in such other manner as may be approved by the Administrator."

Sec. 6. (a) The proviso in paragraph 1 of part VII of Veterans Regulation No. 1 (a), as amended, is amended to read as follows:

"*Provided*, That no course of training in excess of a period of 4 years shall be approved except with the approval of the Administrator, nor shall any training under this part be afforded beyond 9 years after the termination of the present war."

(b) Effective on the first day of the first calendar month subsequent to the date of enactment of this act, paragraph 3 of part VII of Veterans Regulation No. 1 (a), as amended, is amended to read as follows:

"3. While pursuing training prescribed herein and for 2 months after his employability is determined, each veteran shall be paid the amount of subsistence allowance specified in paragraph 6 of part VIII of Veterans Regulation No. 1 (a), as amended: *Provided*, That the minimum payment of such allowance, plus any pension or other benefit, shall be, for a person without a dependent, \$105 per month; and for a person with a dependent, \$115, plus the following amounts for additional dependents: (1) \$10 for one child and \$7 additional for each additional child, and (2) \$15 for a dependent parent: *Provided further*, That the rates set out herein shall not be subject to the increases authorized by Public Law No. 312, Seventy-eighth Congress, approved May 27, 1944: *And provided further*, That when the course of vocational rehabilitation furnished to any person as herein provided consists of training on the job by an employer, such employer shall be required to submit monthly to the Administrator a statement in writing showing any wage, compensation, or other income paid by him to such person during the month, directly or indirectly, and based upon such written statements, the Administrator is authorized to reduce the maintenance allowance of such person to an amount considered equitable and just."

Sec. 7. The second sentence of section 500 (a) of the Servicemen's Readjustment Act of 1944, as amended, is amended to read as follows: "Any such veteran may apply within 10 years after the termination of the war, to the Administrator of Veterans' Affairs for the guaranty by the Administrator of not to exceed 50 percent of a loan or loans for any of the purposes specified in sections 501, 502, and 503: *Provided*, That the aggregate amount guaranteed shall not exceed \$2,000."

Sec. 8. (a) The first sentence of section 500 (b) of the Servicemen's Readjustment Act of 1944, as amended, is amended to read as follows: "An amount equivalent to 4 percent on the amount originally guaranteed shall be paid to the lender by the Administrator out of available appropriations for credit upon the loan at the time the loan is closed."

(b) Section 500 (c) of such act as amended, is amended to read as follows:

"(c) Loans guaranteed by the Administrator under this title shall be payable under such terms and conditions as may be approved by the Administrator: *Provided*, That the liability under the guaranty, within the limitations of this title, shall decrease or increase pro rata with any decrease or increase of the amount of the unpaid portion of the obligation: *Provided further*, That loans guaranteed by the Administrator shall bear interest at a rate not exceeding 4 percent per annum and shall be payable in full in not more than 25 years, or in the case of loans on farm realty, in not more than 40 years. The Administrator is authorized and directed to guarantee loans to veterans subject to the provisions of this title on approved applications made to persons, firms, associations, and corporations and to governmental agencies and corporations, either State or Federal. Any loan at least 20 percent of which is guaranteed by the Administrator under this title may be made by any national bank, or Federal savings and loan association; or by any bank, trust company, building and loan association, or insurance company, organized or authorized to do business in the District of Columbia; without regard to the limitations and restrictions of any other stat-

ute or regulation with respect to: (1) ratio of amount of loan to value of the property, (2) maturity of loan, (3) requirement for mortgage or other security, or (4)—if guaranteed in full—dignity of liens."

Sec. 9. Section 501 (a) of the Servicemen's Readjustment Act of 1944, as amended, is amended by striking out "on unimproved property owned by him", and paragraph (3) of such section is amended to read as follows:

"(3) that the purchase price paid or to be paid by the veteran for such property or the construction cost does not exceed the reasonable value thereof as determined by proper appraisal."

Sec. 10. Section 501 (b) of the Servicemen's Readjustment Act of 1944, as amended, is amended to read as follows:

"(b) Any application for the guaranty of a loan under this section for the purpose of making repairs, alterations, or improvements in residential property owned by the veteran and used by him as his home, may be approved by the Administrator if he finds that the proceeds of such loan will be used for such purpose or purposes."

Sec. 11. Section 502 of the Servicemen's Readjustment Act of 1944, as amended, is amended to read as follows:

"Sec. 502. Any application to be made under this title for the guaranty of a loan to be used in purchasing any land, buildings, livestock, equipment, machinery, supplies, or implements, or in repairing, altering, constructing, or improving any land, equipment, or buildings, including the farmhouse, to be used in farming operations conducted by the applicant involving production in excess of his own needs or for working capital requirements necessary for such operations, or to purchase stock in a cooperative association where the purchase of such stock is required by Federal statute as an incident to obtaining a loan on which a guaranty is sought, may be approved by the Administrator of Veterans' Affairs if he finds—

"(1) that the proceeds of such loan will be used for any such purposes in connection with bona fide farming operations conducted by the applicant;

"(2) that such property will be useful in and reasonably necessary for efficiently conducting such operations;

"(3) that the ability and experience of the veteran, and the nature of the proposed farming operations to be conducted by him, are such that there is a reasonable likelihood that such operations will be successful; and

"(4) that the purchase price paid or to be paid by the veteran for such property does not exceed the reasonable value thereof as determined by proper appraisal."

Sec. 12. Section 503 of the Servicemen's Readjustment Act of 1944, as amended, is amended to read as follows:

"Sec. 503. Any application made under this title for the guaranty of a loan, the proceeds of which are to be used for the purpose of engaging in business or for the purpose of pursuing a gainful occupation, whether full time or part time, or for the cost of acquiring for such purpose land, buildings, supplies, equipment, machinery, tools, inventory, stock in trade, or for the cost of the construction, repair, alteration, or improvement of any realty or equipment used for such purpose, or to provide the funds needed for working capital, may be approved on a secured or unsecured basis by the Administrator of Veterans' Affairs if he finds—

"(1) that the proceeds of such loan will be used for any of such purposes in connection with bona fide pursuit of such business or gainful occupation by the applicant;

"(2) that such property will be useful in and reasonably necessary for the efficient and successful pursuit of such business or occupation;

"(3) that the ability and experience of the veteran, and the conditions under which he



proposes to pursue such business or occupation, are such that there is a reasonable likelihood that he will be successful in the pursuit of such business or occupation; and

"(4) that the purchase price paid or to be paid by the veteran for such property does not exceed the reasonable value thereof as determined by proper appraisal."

SEC. 13. Section 505 (b) of the Servicemen's Readjustment Act of 1944, as amended, is amended to read as follows:

"(b) Any person who is a veteran eligible for the benefits of this title, as provided in section 500 hereof, and who is found by the Secretary of Agriculture, by reason of his ability and experience, including training as a vocational trainee, to be likely to carry out successfully undertakings required of him under a loan which may be made under the Bankhead-Jones Farm Tenant Act, shall be eligible for the benefits of such act to the same extent as if he were a farm tenant."

SEC. 14. Title III of the Servicemen's Readjustment Act of 1944, as amended, is amended by adding at the end thereof the following new sections:

"SEC. 506. The Administrator may approve the guaranty of a loan the purpose of which is to refinance any indebtedness of a veteran which is secured of record on property to be used or occupied by the veteran as a home or for farming purposes, or indebtedness incurred by him in the pursuit of a gainful occupation which he is pursuing or which he proposes in good faith to pursue, or any delinquent taxes or assessments on such property or business, provided it is found that—

"(1) Such default or delinquency occurred not later than 10 years after the termination of the war, and

"(2) such refinancing will aid the veteran in his economic readjustment.

"SEC. 507. (a) With respect to matters arising by reason of this title as now or hereafter amended and, notwithstanding the provisions of any other law, the Administrator may—

"(1) sue and be sued in his official capacity in any court of competent jurisdiction, State or Federal;

"(2) subject to specific limitations in this Act, consent to the modification, with respect to rate of interest, time of payment of principal or interest or any portion thereof, security or other provisions of any note, contract, mortgage or any lien instrument, with respect to which a loan guaranty certificate, or an insurance contract, has been issued;

"(3) pay, or compromise, any claim on, or arising because of, such certificate or contract;

"(4) pay, compromise, waive or release any right, title, claim, lien, or demand, however acquired, including any equity or any right of redemption;

"(5) purchase at any sale, public or private, upon such terms and for such prices as he determines to be reasonable; and take title to property, real, personal or mixed; and similarly sell at public or private sale, exchange, assign, convey, or otherwise dispose of any such property; and

"(6) complete, administer, operate, obtain and pay for insurance on, and maintain, renovate, repair, modernize, lease, or otherwise deal with any property acquired or held pursuant to this title; provided that the acquisition of any such property shall not deprive any State or political subdivision thereof of its civil or criminal jurisdiction of, on, or over such property (including power to tax) or impair the rights under the State or local law of any persons on such property.

"(b) The powers by this section granted may be exercised by the Administrator without regard to any other provisions of law not enacted expressly in limitation hereof, which otherwise would govern the expenditure of public funds: *Provided*, That section 3709 of the Revised Statutes shall apply to any contract for services or supplies on ac-

count of any property acquired pursuant to this section if the amount of such contract exceeds \$1,000.

"(c) The financial transactions of the Administrator incident to, or arising out of the guaranty of loans pursuant to this title, and the acquisition, management, and disposition of property, real, personal, or mixed, as incident to such activities and pursuant to this section, and vouchers approved by the Administrator in connection with such transactions, shall be final and conclusive upon all officers of the Government.

"SEC. 508. (a) Any loans which might be guaranteed under the provisions of section 503 hereof, when made or purchased by any financial institution subject to examination and supervision by an agency of the United States or of any State or Territory, including the District of Columbia, may, in lieu of such guaranty, be insured by the Administrator under an agreement whereby he will reimburse any such institution for losses incurred on such loans up to 15 percent of the aggregate of loans so made or purchased by it.

"(b) Loans insured hereunder shall be made on such other terms, conditions, and restrictions as the Administrator may prescribe within the limitations set forth in this title. The Administrator may fix the maximum rate of interest payable on any class of non-real-estate loans insured hereunder at a figure not in excess of a 3 percent discount rate or an equivalent straight interest rate on nonamortized loans.

"(c) The Administrator shall pay the same amount on each loan insured hereunder as he would be required to pay under the first sentence of section 500 (b) hereof if the loan were guaranteed rather than insured."

SEC. 15. Section 1505 of the Servicemen's Readjustment Act of 1944, as amended, is amended to read as follows:

"SEC. 1505. In the event there shall hereafter be authorized any allowance in the nature of adjusted compensation, any benefits received by, or paid for, any veteran under title III of this act shall be charged against and deducted from such adjusted compensation; and in the event a veteran has obtained a loan under the terms of this act, the agency disbursing such adjusted compensation shall first pay the unpaid balance and accrued interest due on such loan to the holder of the evidence of such indebtedness to the extent that the amount of adjusted compensation which may be payable will permit."

SEC. 16. Title VI of the Servicemen's Readjustment Act of 1944, as amended, is amended by adding at the end thereof the following new sections:

"SEC. 1506. Persons who served in the active military or naval service of any government allied with the United States in World War II and who at time of entrance into such active service were citizens of the United States shall, by virtue of such service, and if otherwise qualified, be entitled to the benefits of titles II, III, IV, and V of this act or of Public Law 16, Seventy-eighth Congress, in the same manner and to the same extent as persons who served in the active military or naval service of the United States: *Provided*, That any such benefit shall not be extended to any person who is not a resident of the United States at time of filing claim or to any person who has applied for and received the same or similar benefit from the government of the nation in whose active military or naval service he served.

"SEC. 1507. Notwithstanding the provisions of section 1503, any person while on terminal leave, or while hospitalized pending final discharge, may be afforded the benefits of titles II and III of this act, or vocational rehabilitation training under Public Law 16, Seventy-eighth Congress, as amended, subject to all conditions thereof except actual discharge.

This section shall be effective from June 22, 1944."

Mr. JOHNSON of Colorado. Mr. President, I do not propose to make any extended statement in explanation of the pending bill. The committee report contains a detailed analysis of the bill, section by section, and reference to that report will indicate the specific changes made in existing law.

However, I wish to make some preliminary remarks and mention briefly questions of major importance touched on in the bill as reported from the Committee on Finance.

Experience under the Servicemen's Readjustment Act of 1944 has disclosed that there are some weaknesses in that law, in fact some defects, that need corrective legislation. To put the matter frankly, there have been serious complaints, not as to the administration of the law but as to inadequacies which prevent a proper application of the benefits that Congress intended to extend to the veterans. As a matter of fact, it will be recalled that when the Congress enacted the Readjustment Act it was recognized that by reason of the subject matter it was contemplated that only through trial and error could a statute of that kind be made completely effective.

In my opinion, the original GI bill was over-sold. That is, the veterans and the country were led to believe that greater benefits than were actually provided in the bill would be available to veterans. The original GI bill and the amendments now proposed to that measure do not provide a "feather bed" for the veteran; but they do give the veteran who wishes to help himself an opportunity to do so. The bill now pending provides for educational possibilities and for modest loans; but I think it would be a mistake for the veteran and for the country to get the idea that this legislation does everything that the veteran should have done for him and that it completes our obligation to the veteran and his family, because it does no such thing. It has very specific limitations.

As a result of complaints and suggestions from various sources, there have been introduced in the Senate many bills which proposed to amend the Servicemen's Readjustment Act, and they were considered by the Subcommittee on Veterans' Legislation. The pending measure, House bill 3749, was passed by the House in the form of a complete redrafting of the act. The Subcommittee on Veterans' Legislation of the Finance Committee took the House bill along with the other proposals, and after extended hearings wrote a new bill. It is my belief that the pending bill, as reported by the Finance Committee, will go a long way toward simplifying and strengthening the administration of the law.

Most of the suggestions for amendment were directed to titles II and III of the act, which deal with education and training and loans. It is under these two titles that most of the experience has been obtained, because these are the matters which are particularly close to the veteran after leaving the service; he is interested either in continuing his education, or in preparing for his ad-



justment in business, industry, agriculture, or in obtaining a home. I believe the amendments in the law recommended by the committee will materially aid veterans in attaining these objectives.

In the case of education and training the principal amendments are, first, an increase in the amount of subsistence allowance from \$50 to \$65 a month in the case of veterans without dependents, and from \$75 to \$90 in the case of veterans with dependents; second, elimination of alleged discrimination between service persons based upon age; third, provision for short, intensive courses, and for the use of correspondence courses under adequate safeguards; and, fourth, a revised formula for extending assistance to public institutions having inadequate fees.

With respect to loans, the bill reported by the Finance Committee has the following purposes: First, in the case of farm-and-business loans, the purpose for which guaranteed loans may be made was extended to include working capital, additional supplies, construction, and repairs, and so forth—in short, almost any type of normal activity; second, in the case of all loans the maximum term was increased from 20 to 25 years, and on farm loans from 20 to 40 years, and the time within which veterans might apply for loans was increased to 10 years after the war, instead of 5, as at present; third, the guaranty of loans for delinquent indebtedness, now limited to loans on residential property, was extended to cover all types of loans, principally to take care of business; fourth, restrictions were removed from national banks and other institutions subject to Federal control, to permit them to participate in loans under the act; fifth, a simplified form of group-loan insurance was included in the act as an alternative to the existing guaranty of loan; sixth, finally, and probably one of the most important changes proposed by the committee, there is the authorization of Government-guaranteed loans based on "reasonable" rather than "reasonable normal" value of property. It is believed that this will remove one of the most disturbing factors in the administration of the loan provisions. The use of the word "normal" has been found to be wholly unsatisfactory in the present state of the real-estate market.

I may add there, Mr. President, that the Finance Committee and the subcommittee considering this measure very reluctantly decided to eliminate the word "normal", but we felt that under present circumstances, with present going prices, unless the word "normal" were eliminated, no homes or farms would be purchased by veterans.

Other amendments approved by the committee covered persons who served with allied governments, those on terminal leave, limited deductions from any future adjusted compensation to apply only to loans, and authorization of Army and Navy review boards to review action of medical survey and disposition boards.

With these brief observations, Mr. President, I urge that the bill be passed without delay. I shall, of course, be glad to answer any questions with respect to

matters which I have not covered in this statement.

Mr. President, I should like to have inserted at this point in the RECORD a letter which I received today, signed by Mr. Edward E. Odom, Solicitor for the Veterans Administration, with respect to the cost of the original GI bill and the cost of the bill as now proposed to be amended.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

VETERANS' ADMINISTRATION,  
Washington, D. C., November 8, 1945.  
Hon. EDWIN C. JOHNSON,  
Chairman, Subcommittee on Veterans'  
Legislation, Senate Committee on  
Finance, Washington, D. C.

MY DEAR SENATOR JOHNSON: In accordance with your oral request the following estimates of costs are furnished on (1) S. 1767, Seventy-eighth Congress, which became the Servicemen's Readjustment Act of 1944, Public Law 346, Seventy-eighth Congress, June 22, 1944; (2) H. R. 3749, Seventy-ninth Congress, "An act to amend the Servicemen's Readjustment Act of 1944 to provide for a readjustment allowance for all veterans of World War II," as it passed the House; and (3) H. R. 3749 with amendments recommended by the Senate Committee on Finance.

In the report to the Bureau of the Budget on the enrolled enactment, S. 1767, Seventy-eighth Congress, which became the Servicemen's Readjustment Act of 1944, Public Law 346, Seventy-eighth Congress, June 22, 1944, the Veterans' Administration gave the estimated expenditures under the act per unit of 1,000,000 persons in service at \$509,000,000. With an estimated number of persons in service being 15,000,000 the total estimated cost was \$7,635,000,000. In making such estimate it was emphasized that "any estimates must depend upon so many undeterminable factors that they may be subject to variations upward or downward." Some of the then unknown factors which would affect the ultimate cost were cited, (1) the total number of persons serving in the armed forces during the war period; (2) the length of the war; (3) the future character of the war and rate of discharge; and (4) the post-war economic situation with special reference to opportunities for employment. It was stated that to the extent returning veterans can promptly re-enter industrial and other pursuits whether employed by self or others, the potential cost would be reduced.

H. R. 3749, as passed by the House, increased the subsistence allowance to veterans while enrolled in and pursuing a course other than a course in a correspondence school from \$50 to \$60 per month if the veteran is without a dependent or dependents, and from \$75 to \$85 per month if he has a dependent or dependents. The estimated cost of this increase is \$10,599,000 for the first year affecting approximately 90,800 veterans. It should be borne in mind that the bill as passed by the House did not provide any increased allowance for part VII cases. Aside from the change of rate of subsistence allowance, the only increase would be the wide-open loan guaranty provisions under title III. It is not possible to furnish an estimate on such provisions, but it can be stated that without supervision the cost could be very much larger than the estimate furnished on Public Law 346. The increased cost would be offset by the lender sharing the loss.

H. R. 3749, as reported by the Committee on Finance, would (1) increase the rates of subsistence allowance under title II, "Education of Veterans," under Public Law 346, from \$50 to \$65 per month if the veteran is without a dependent or dependents and from \$75 to \$90 per month, if he has a dependent

or dependents, and (2) would provide for the payment of the foregoing subsistence allowances in the cases in those persons with service connected disabilities receiving vocational rehabilitation under Public Law 16, Seventy-eighth Congress, March 24, 1943, with a provision for minimum rates of pension, plus such subsistence allowances starting with the \$105 for a veteran without a dependent or dependents, \$115 per month for a veteran with a dependent plus the following amounts for additional dependents: (1) \$10 for one child with \$7 additional for each additional child, and (2) \$15 for a dependent parent. The estimated cost for the first year in the service connected cases under Public Law 16, is \$8,914,000, affecting 33,500 veterans; the estimated cost for the first year under title II of Public Law 346 is \$15,899,000, affecting 90,800 veterans. The total estimated cost for the first year would approximate \$24,813,000, affecting 124,300 veterans. The changes in title III of Public Law 346, as provided in H. R. 3749, as reported by the committee would not materially increase the estimated cost for that particular title of the original act.

Very truly yours,

EDWARD E. ODOM,  
Solicitor.

Mr. JOHNSON of Colorado. Mr. President, Mr. Odom has estimated, or it has been estimated, that the cost of the original bill would be approximately \$7,635,000,000. Mr. Odom has this to say about the amendments we are offering today:

"The estimated cost for the first year in the service-connected cases under Public Law 16 is \$8,914,000, affecting 33,500 veterans; the estimated cost for the first year under title II of Public Law 346 is \$15,899,000, affecting 90,800 veterans. The total estimated cost for the first year would approximate \$24,813,000, affecting 124,300 veterans. The changes in title III of Public Law 346 as provided in H. R. 3749 as reported by the committee would not materially increase the estimated cost for that particular title of the original act.

Mr. President, it is difficult to estimate what the costs of such legislation will be. My own estimate is that the total cost of the GI bill of rights as now proposed to be amended will be in the neighborhood of \$9,000,000,000, but that is not much more than a guess. Probably it will be somewhere between \$8,000,000,000 and \$10,000,000,000.

I ask unanimous consent to have printed at this point in the RECORD the report of the Finance Committee on House bill 3749.

There being no objection, the report (No. 698) was ordered to be printed in the RECORD, as follows:

The Committee on Finance, to whom was referred the bill (H. R. 3749) to amend the Servicemen's Readjustment Act of 1944 to provide for a readjustment allowance for all veterans of World War II, having considered the same, report favorably thereon with amendments and recommend that the bill, as amended, do pass.

#### GENERAL STATEMENT

Experience under the Servicemen's Readjustment Act of 1944, since its enactment on June 22, 1944, has shown that in some respects the act requires liberalization or clarification. Various bills have been introduced both in the Senate and in the House to make changes in the act. The bill H. R. 3749, which your committee is reporting, passed the House in the form of a complete redraft of the Servicemen's Readjustment Act of



1944 but actually amending only certain sections of titles I, II, and III.

Your committee held hearings on this bill and, after considering the suggestions made at the hearings on this and other bills on this subject pending before the committee, has reported a substitute for the House bill which it recommends for immediate enactment. The substitute does not rewrite the entire Readjustment Act but proposes only to amend it in the particulars in which your committee saw need for amendment, and other sections in the act were left untouched.

It is believed that the bill as reported by the committee will go a long way toward meeting suggestions for amendment made at the hearings and elsewhere. It will facilitate administration and will, in important respects, liberalize benefits under the Servicemen's Readjustment Act of 1944 and particularly the education and loan provisions, which, in practice, have proved to be difficult in some respects.

#### ANALYSIS OF THE BILL BY SECTIONS

##### *Procedure*

Section 1: This section amends section 100 of the Servicemen's Readjustment Act so as to make permanent the authority of the Administrator under that section to procure necessary space for administrative, clinical, medical, and out-patient treatment purposes, by lease, purchase, or construction of buildings, or by condemnation or declaration of taking. Under existing law this authority is limited to the "present war and 6 months thereafter."

Section 2: This section adds to section 200 of the act an authorization for the Administrator to furnish necessary space and suitable office facilities for the use of paid representatives of veterans' organizations, with reimbursement on an actual-cost basis.

Section 3: Section 302 (a) of the act authorized the establishment of boards of review to review findings and decisions of retiring boards. The amendments made by the committee in this section extend this authority to review findings and decisions of boards of medical survey and disposition boards. A change in language broadens the class of those who may apply to include any officer released from active service.

##### *Education and training*

Section 4: This section amends part VIII of Veterans Regulation No. 1 (a), as added by section 400 (b) of the Servicemen's Readjustment Act, in the following respects:

(a) Paragraph 1 is amended to eliminate the requirement that veterans show that education was interrupted by service, extended the time from 2 to 4 years to initiate a course, extended the time within which education or training may be afforded from 7 to 9 years after the termination of the war, and strikes out the age limitation. The House bill also contained the extensions of time referred to.

(b) Paragraph 2 is amended to strike out the references to a refresher or retraining course so that the veteran will be provided approved education or training for a period of 1 year plus the time he was in active service, not to exceed a total of 4 years.

(c) Paragraph 3 is amended in two important respects: First, a new subparagraph (b) is added providing for short, intensive courses under contract with approved institutions, with authority to pay more than the pro rata customary charges and limiting the period of education and training accordingly; second, a new subparagraph (c) is added which provides for instruction by correspondence courses, subject to contracts as to rates and charging one-fourth of the elapsed time used in following such courses against the veteran's period of eligibility. The total amount payable for a correspondence course or courses is limited to \$500.

Both of these latter amendments were contained in the House bill, although the correspondence-school provision was stated

in somewhat different form and without adequate control as to rates or as to limitations of eligibility.

(d) Paragraph 5 of the present act, insofar as it seeks to permit adjustment of fees of public institutions, has not proven satisfactory in practice. Attorneys general of several States have questioned the authority of the State to accept payments under the law of the State, within the limitations of the present paragraph 5. The committee amendment will permit the Administrator to make an adjustment of fees in such cases if he finds that the customary charges are insufficient to permit the furnishing of education or training to eligible veterans. The Administrator will be able to do this by agreement with each institution on an over-all plan and based upon a showing of need of assistance to meet the educational demands under the Federal program.

(e) The House bill increased the subsistence allowances under paragraph 6 from \$50 to \$60 per month in the case of veterans without dependents and from \$75 to \$85 per month in the case of veterans with dependents. The committee has increased these amounts to \$65 and \$90, respectively, effective on the first day of the first calendar month after date of enactment.

(f) Under paragraph 7 of the present law a veteran eligible for the benefits of part VIII (education and training) and part VII (vocational rehabilitation) may elect which benefit he desires; but once having made the election, he is bound. The committee amendment permits the right of election, together with authorization of an approved combination of courses, with the proviso that the total period of combined courses must not exceed the maximum period of limitations under the part affording the greater period of eligibility. It also removes an inequality as to disabled veterans.

Section 5: This section adds a proviso to section 4 of Public Law No. 16, Seventy-eighth Congress, which was added by section 402 of the Servicemen's Readjustment Act of 1944, to the effect that returned books, supplies, or equipment may be released to educational or training institutions for credit or disposed of otherwise by the Administrator, without regard to limitations on the disposition of surplus property generally.

Section 6: Under the present law relating to vocational rehabilitation (Public Law 16, 78th Cong.) no course of training in excess of a period of 4 years may be approved. Consequently, if a course of training extends beyond 4 years the veteran cannot take advantage of the course, even though he is willing to stand the expense of the course beyond the 4-year period out of his own pocket. This section will permit the Administrator to approve such courses. The period of time within which training may be furnished is also extended from 6 to 9 years after the end of the war, to conform to the amendments made in part VIII.

This section also contains an amendment constituting a complete redraft of paragraph 3 of part VII of Veterans Regulation (1) (a), as amended (Public Law 16, 78th Cong.). The amended section would provide that the disabled veteran, while pursuing training and for 2 months after his employability is determined, will be paid the amount of subsistence allowance specified in paragraph 6 of part VIII, Veterans Regulation 1 (a), as amended (the education provisions). It would establish a minimum rate of \$105 for a veteran without dependents, \$115 with a dependent, and \$10 additional for a child and \$7 for each additional child, and \$15 for a dependent parent. Under existing law, while a veteran may receive additional pension while pursuing a course of training, the amount payable cannot exceed the rates for total temporary disability. The effect of the committee amendment is to permit the disabled veteran to receive subsistence allow-

ances at the sums payable under part VIII relating to education and training plus whatever pension he is entitled to under existing law, but with a prescribed minimum, to protect the disabled veterans with low rate of pension.

##### *Loans*

Section 7: This section permits a veteran to apply for guaranty of a loan within 10 years after the termination of the war. The existing law limits the loan features to 2 years after termination of the war or 2 years after separation from the military or naval forces, whichever is the later date, but in no event more than 5 years after the termination of the war. The House bill extended the 2-year limitation in existing law to 6 years but in no event more than 8 years after termination of the war.

It is appropriate to point out here an important difference between the House bill and the bill reported by your committee, as relates to loans. Under the House bill, by amendments to section 500 (a) and elsewhere in the Readjustment Act, the lending agency and the veteran were in effect permitted to make their own bargain, and the loan is automatically guaranteed 50 percent by the Administrator of Veterans' Affairs. This would afford no protection either to the veterans or to the Government. Your committee did not accept this plan and has retained the basic principles of the existing law with such changes as may be necessary in section 500 (a) and in other provisions which will be noted, to liberalize and clarify the law. At the same time, there is preserved the guaranty principle of the existing act instead of the House provision, which is in effect a contract of indemnity, with the lender and the Government sharing the loss pro rata.

Section 8: Section 500 (b) of the act now permits the Administrator to pay interest for the first year on that part of the loan guaranteed by the Administrator. Your committee believes that an authority to pay an amount equivalent to 4 percent on the amount originally guaranteed rather than payment of interest for the first year will bring about simplification of administration and has amended the law accordingly.

Section 500 (c) is amended to extend the maturity limitation from 20 to 25 years generally and in the case of loans on farm realty to 40 years; and removes present restrictions which preclude national banks, Federal savings and loan associations, and District of Columbia banks, trust companies, building and loan associations, and insurance companies from participating in loans to veterans eligible for guaranty under the act. The laws of the various States quite generally permit such loans by State institutions.

Section 9: The purpose of the changes made in section 501 is to make clear that the veteran may purchase a lot out of the proceeds of a loan purposed to finance the construction of a home on that lot. The present text of the act, which specifies that construction is permissible "on unimproved property owned by him," raises a question as to whether that was intended. The related change, striking out the words "including the value of the unimproved lot," is necessary because it will be proper to look at the cost of a lot purchased with the proceeds of the loan rather than the value of that lot. Of course, it does not preclude guaranty of a loan for the purpose of constructing a building on a lot owned by the veteran.

The word "normal" has also been stricken from the text of section 501 (a) (3) (and as well from the corresponding sections related to loans for farm or business purposes) for the reason that a great deal of uncertainty and confusion appears to have resulted from the meaning of the phrase "reasonable normal value." It is desired by thus eliminating the word "normal" to clarify the intent of Congress to permit lending under the act to be predicated on appraised valuations that



are reasonable in the light of present-day cost factors; and, while protecting the veteran from overinflated prices, to permit evaluation upon a more realistic basis.

Section 10: The reference to payment of delinquent indebtedness, taxes, or special assessments has been stricken out of section 501 (b) and carried forward into a new section 506, so that the provisions thus stricken out will be applicable on a broadened basis to farms and business as well as to homes.

Section 11: The changes made by this section in section 502 are designed to broaden the present language of the act so that loans can be made for every ordinary farming purpose. For example, under the present act the farmer cannot finance the construction of a new barn. Under the changed language that would be permissible.

The changes in the subparagraphs of this section are merely formal to conform them with the changes mentioned above, except for the striking out of the word "normal" which is referred to under section 501 (a) above.

Section 12: Section 503 of the act likewise has been altered to eliminate the unduly restrictive effects of the present language of the act. The amended language will permit any normal business enterprise to be financed initially under a guaranteed loan. Under the present act, for example, a store cannot be modernized or altered with the proceeds of a guaranteed loan. Stock in trade cannot be acquired, nor working capital provided. The usual business loan is a character loan rather than a strictly secured loan. The amendment will permit such loans to be granted.

The changes in the subparagraphs are merely formal, except with respect to the elimination of the word "normal" in 503 (4), explained above under 501 (a) (3).

Section 13: This change in section 505 (b) makes clear the right of the Secretary of Agriculture to determine the basic eligibility of a veteran applying for loans under the Bankhead-Jones Act. It eliminates the necessity of referring each case to the Veterans' Administration for such determination.

Section 14: This section adds three new sections to the existing law:

Section 506: This supplants the clause eliminated in section 501 (b) and serves to broaden the refinancing of existing indebtedness so that the Readjustment Act will thus serve to supplement fully the Soldiers' and Sailors' Civil Relief Act of 1940, so as to aid veterans to refinance indebtedness with respect to which their delinquency might be attributable to loss of income during their period of service or to the difficulty of readjusting themselves economically in their postservice life. With respect to home or farm financing, delinquent indebtedness, to be eligible, must be evidenced by a lien of record. With respect to business indebtedness it must have been incurred in connection with a business in which the veteran will be engaged subsequent to the issuance of the guaranty.

Section 507: The powers at present vested in the Administrator of Veterans' Affairs are inadequate to enable him to perform the functions required of him under the present act. This new section is added in order to enable him efficiently to conduct those functions. The new section also recognizes the right of private lenders to resort to the courts for a determination of their rights in matters arising out of contracts of guaranty under the act.

In short, section 507 is designed to permit the Administrator to handle matters arising by reason of this title (title III); to sue and be sued; to pay, or compromise claims arising because of a loan guaranty certificate or insurance contract; to pay, compromise, waive, or release any other rights, titles, claims, etc.; to take title to property and to sell, assign, convey, or otherwise dispose of such property; to complete, administer, and maintain or repair, or otherwise deal with property which he may be required to hold pursuant to this title.

Section 508: Section 508 adds to the act a plan which will permit the Administrator to insure loans for business purposes on a plan similar to that provided for modernization and repair loans under title I of the Federal Housing Act. Such insurance is to be issued in lieu of a guaranty and is to be issued direct to the lending institutions under an arrangement which will give them not to exceed a 15-percent coverage on the aggregate of all loans made by them to veterans for the purposes specified in section 503. Such insurance may be issued only to supervised lending institutions or to financial institutions which may purchase such loans from the original lending institution.

As loans of the nature covered by this provision will be, in the main, short-time loans, which are high-cost loans to a lender, it is thought proper to authorize a higher interest rate on such loans as are non-real-estate loans than the 4 percent per annum rate prescribed for all loans which are guaranteed under this act. The proposed 3 percent discount rate, when applied to loans amortizable on a monthly basis, will be an approximate equivalent of 5.54 percent per annum on a straight interest basis.

The new section 508 (c) prescribes that on each loan included in the aggregate insured under this section the Administrator shall pay at the outset the same flat 4 percent amount that is payable on guaranteed loans under the proposed amendment to section 500 (b).

#### Miscellaneous

Section 15: Section 1505 of the present act provides that in the event that veterans are given any allowance in the future in the nature of adjusted compensation, any benefits received under the Readjustment Act will be charged against and deducted from such adjusted compensation. In addition to the fact that your committee believes that such a sweeping provision is unfair to the veteran, it is actually affecting educational provisions, because the effect of this section is appraised by a veteran when he is making selection of an educational institution. Your committee believes that in no event should this section be applied except in connection with loans and has, therefore, amended the act to exclude other benefits from the deduction required.

Section 16: This section adds two new sections to title VI of the Servicemen's Readjustment Act:

"(1) Section 1506 will extend to persons who served in the active military or naval service of Allied Governments, and who were citizens of the United States at the time of entrance into such service, the benefits of the Servicemen's Readjustment Act as well as the vocational rehabilitation provisions of Public Law 16; to the same extent as in the case of persons who served in our own armed forces. It is provided, however, that these benefits will be extended only to persons who are residents of the United States at the time of filing claim and who are not receiving similar benefits from the government of the Allied Nation concerned.

"(2) By reason of the fact that the benefits of the existing law are limited to persons who have been 'discharged or released' from active service, persons on terminal leave, and persons being hospitalized pending final discharge may not take advantage of the educational and loan provisions or vocational rehabilitation training under Public Law 16. Your committee sees no reason why persons occupying this temporary status should not be afforded an opportunity to apply for and receive such benefits, and section 1507 so provides. The section is made effective from June 22, 1944, the date of enactment of the Servicemen's Readjustment Act of 1944."

Title: The title of the House bill does not adequately express the objectives of this legislation, in that it refers to provision only for readjustment allowances, and the com-

mittee has amended the title to read simply: "An act to amend the Servicemen's Readjustment Act of 1944, and for other purposes."

The PRESIDING OFFICER. The Chair desires to state that inasmuch as the committee amendment is in the nature of a substitute for the bill, any amendment intended to be proposed should be submitted prior to action on the committee substitute.

Are there any amendments to be offered to the committee amendment?

Mr. JOHNSON of Colorado. Mr. President, I send to the desk the amendment which I ask to have stated.

Mr. MAGNUSON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MAGNUSON. Was I correct in understanding the Chair to state that proposed amendments should be offered prior to final action upon the committee amendment?

The PRESIDING OFFICER. The Senator was correct.

Mr. MAGNUSON. I have an amendment which is now lying on the desk.

The PRESIDING OFFICER. The amendment offered by the Senator from Colorado will be stated.

The CHIEF CLERK. On page 67, line 12, after the word "charge", it is proposed to insert a colon and the following: "Provided, That no maintenance and allowance shall be paid in such cases under title II of this act or Public Law 16, Seventy-eighth Congress."

Mr. JOHNSON of Colorado. Mr. President, the amendment has not been cleared with either the subcommittee or with the main committee. But in preparing a report on the bill we discovered that under the provisions of the bill as reported from the committee it might be possible for certain veterans to receive assistance in two ways. The object of the amendment which I have offered is to assure that veterans will receive only one assistance payment. I am sure the committee would be in favor of the amendment, although it has not yet been submitted to the committee.

The PRESIDING OFFICER. The question is on agreeing to the amendment to the committee amendment offered by the Senator from Colorado.

The amendment to the amendment was agreed to.

Mr. MORSE. Mr. President, I offer the amendment, which I send to the desk and ask to have read.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The CHIEF CLERK. On page 66, line 3, it is proposed to insert the following:

That section 1505 of the Servicemen's Readjustment Act of 1944 is hereby repealed.

Strike out lines 3 to 14, inclusive.

Mr. MORSE. Mr. President, it was hoped that the senior Senator and junior Senator from Oregon would be able to appear before the Finance Committee and present their points of view in regard to several features of the GI bill. However, the bill is now reported to the floor at such an early date that we have not had an opportunity to present the points of view which we wished to present



to the Finance Committee when the bill was under consideration by the committee. Therefore, I feel that because of the points of view which we entertain, it will be necessary for me to discuss the bill at some length in regard to certain proposed amendments which I think should be incorporated in the bill if my understanding is correct that they are not already included in the bill as now reported to the Senate. The first amendment is the one which has just been read by the Chief Clerk, proposing that section 1505 of the GI bill be repealed. The amendment is really S. 1562, introduced on November 6 by my colleague, the senior Senator from Oregon [Mr. CORDON] in behalf of both Oregon Senators. Of course, that amendment really was—

Mr. JOHNSON of Colorado. The subcommittee and the full committee eliminated section 1501 in its application to everything except loans. The committee did not eliminate it with respect to loans for the very good reason that loan contracts might be outstanding under the original section 1505, and the desire was not to change the contracts.

Mr. MORSE. I thank the Senator very much for his statement, because he has answered exactly the inquiry which I wished to propound. I have not had an opportunity to study the bill in the form in which the Senator reported it to the Senate today. Because of the fact that the senior Senator and the junior Senator from Oregon have some bills pending before the Senate dealing with veterans' matters. I want to make certain before we proceed to vote upon this bill that the principles of the veterans' legislation which the Oregon Senators have pending before the Senate are encompassed in the bill in its present form. I think perhaps that time can be saved if the Senator will answer a series of questions which I wish to propound in regard to proposed veterans' legislation which the senior Senator and the junior Senator from Oregon have introduced.

As I understand the Senator from Colorado, the bill which the senior Senator from Oregon [Mr. CORDON] introduced in behalf of both Senators from Oregon the other day proposing to repeal section 1505, has, in principle, been approved by the Finance Committee save and except as to its application to loans.

Mr. JOHNSON of Colorado. That is correct.

Mr. MORSE. I ask the Senator why, in his opinion, it could not be repealed in its entirety.

Mr. JOHNSON of Colorado. There was some objection raised in the committee to repealing the section in its entirety. It was objected that because loans had been made already on the basis of section 1505, that fact should be taken into consideration because section 1505 was the law of the land. Contracts had been entered into, and the committee did not wish to change the law and leave those contracts hanging without protection of the law we had already enacted.

There is also another good reason for not repealing the section. If a soldier should obtain a loan on a business, to purchase a home or otherwise, and defaults on the loan, and later Congress enacts some sort of an adjustment pay bill,

it would seem that the veteran should not be given an advantage over other veterans who had not defaulted, or who had not received any loans. The veteran who has defaulted on a loan should not be put upon the same basis with other veterans who have not made loans or who have not defaulted on loans.

Mr. MORSE. Will the Senator from Colorado help me with the meaning of section 1505 in its present form as it is applied to the educational provision of the bill? I refer to a problem we are having in the present application of the GI law as to tuition charged by institutions in some States. The Senator is aware of the fact, I am sure, that there is a great variation in charges, and under the present application of the law, it seems to me, many State institutions are being discriminated against unfairly, and the taxpayers of the States accordingly, because many private institutions charge a much higher tuition than State institutions. Then, too, the practice varies between State institutions as to so-called State resident and out-of-State fees.

Take my own State of Oregon, for example. The tuition for State resident students is relatively low. A higher tuition is charged for out-of-State students. Yet State institutions in many other States charge a much higher State fee than Oregon which they are allowed to collect, of course, for veterans enrolled under the GI law. In California, for example, these fees are higher for both State and out-of-State students. We have already found in the administration of the educational provisions of the GI law that the giving of the educational benefits to the veterans—and certainly they are entitled to them—is resulting in additional costs to the institutions far in excess of the low State fees of some States. I was told by the executive secretary of the State system of higher education in Oregon, for example, that they have had to put on extra help in the offices to keep separate books for these veteran accounts. The additional teaching costs, extra equipment, and housing costs are placing a very heavy burden on many of our State schools, and their State fees for resident students are not high enough to meet the costs. Hence Senator CORDON and I have offered Senate bill S. 1562 to make it possible for the State schools with low fees to charge larger fees to meet this cost without the veteran having to stand the costs by way of future bonus deductions.

In order to make certain that the pending bill covers the principles of our bill S. 1562 I wish to ask if I am correct in my understanding that, under the bill as the Finance Committee now reports it to the Senate, tuition charged to veterans, so long as it does not exceed the \$500 limit, will not be deducted from any future adjusted compensation the Congress hereafter may award to veterans.

Mr. JOHNSON of Colorado. That is correct; it will not be deducted. Section 1505, according to the amendment of the committee, eliminates that deduction completely so far as education is concerned, and that is applied now only to defaulted loans.

Mr. MORSE. Now I ask the Senator whether under the bill in its present

form there would be any limitation on a State institution to charge a fee in excess of the fee charged resident students, nonveteran?

Mr. JOHNSON of Colorado. We do not enter into that in any way, except that we give the Veterans' Administration the authority to make contracts with institutions of learning, and in that way they are placed more or less on an equality basis.

Mr. MORSE. I think I understand it, but in order to make the matter perfectly clear to my own mind, let me press this further question. Let us assume the hypothetical, that an institution of higher learning in the State of Oregon should decide, under the new bill, if enacted, to charge a veteran a fee of \$300 because on a survey they find that State institutions in many other States in the West are charging a fee that high. There is nothing in the bill which would prevent Oregon institutions from charging that fee if it were approved by the Administrator of the Veterans' Administration.

Mr. JOHNSON of Colorado. I shall read the language to the Senator. It is found on page 54 of the bill. It is as follows:

That any institution may apply to the Administrator for an adjustment of fees and the Administrator, if he finds that the customary charges are insufficient to permit the institution to furnish education or training to eligible veterans, or inadequate compensation therefor, may provide by agreement for the payment of such fair and reasonable compensation as will not exceed the actual cost of teaching personnel and supplies for instruction, and not exceeding \$500 for an ordinary school year, inclusive of all charges and supplies; and may in like manner readjust such payments from time to time in consideration of increased or decreased enrollment and available contributions to meet such costs, whether from public or private funds.

That gives the Administrator the right and authority to contract with these institutions, and adjust the very troublesome tuition problems with the institutions.

Mr. MORSE. On the basis of this explanation given by the Senator from Colorado, I withdraw the proposed amendment, and I should like to thank the Finance Committee, in behalf of both Senators from Oregon, for the consideration they gave to the suggestions incorporated in our bill, S. 1562. The Senator from Colorado has made clear to me that the bill now reported by the Finance Committee incorporates within it the bill S. 1562, which Senator CORDON and I introduced the other day in an endeavor to equalize tuition practices under the GI bill among State and private educational institutions.

I wish to ask the Senator from Colorado a further question. I am sorry to seem to press on this matter, but because I have received so many complaints in my mail in regard to the present functioning of the GI law, I wish to make certain, before I vote on the bill now pending before the Senate, that some of the weaknesses of the law are in fact corrected. If we are to vote this afternoon, time will not permit me to make the study I should like to make of it



and I had no idea that this bill was going to be advanced on the schedule of the Senate for consideration and vote today.

I introduced some months ago a bill which proposed to eliminate from the GI law educational restriction as to age. My bill is S. 850. Does the revised bill put into effect the principle of that bill?

Mr. JOHNSON of Colorado. Yes, we eliminated the age restriction. We also eliminated the requirement under existing law that the veteran must prove that his educational program has been interfered with because of his service. We take it for granted it has been interfered with, and that restriction has been entirely removed from the law; in fact, both restrictions have been removed.

Mr. MORSE. It happened to be both those restrictions which my bill, previously introduced, sought to remedy.

Mr. JOHNSON of Colorado. We had the Senator's bill before us, and that point was discussed, and the restriction was eliminated. The Senator from Oregon helped us eliminate it.

Mr. MORSE. I wish to be clear about it. Let us suppose this hypothetical, that a veteran who never intended before the war to prepare himself for one of the professions and will probably frankly admit that he never intended to go to a professional school decides, however, as a result of his war experience, that he would like to be a lawyer, or a doctor, or prepare himself for some other profession by attending some professional school. He may be 29 years of age, or older or younger. Is there anything in the bill in its present form which would restrict such a veteran from starting a professional school training in medicine, law, engineering, dentistry, or any of the other professions, and completing the regular course of training under the provisions of the GI bill as now proposed by the Finance Committee in the pending legislation?

Mr. JOHNSON of Colorado. There is no restriction in the bill, except that there is an overall limitation of 4 years. That is the only limitation. A veteran who has never attended school, who has never even attended kindergarten, under the bill as reported by the committee could start going to school, and the question of the interruption of his educational process is not a question at all, under the committee bill.

Mr. MORSE. Would the Senator be so kind as to direct my attention to the page and line of the bill which so provides?

Mr. JOHNSON of Colorado. On page 50, beginning in line 6, the Senator will find the answer to his question.

The age limit is entirely eliminated. The Senator will note that that is not there at all. It is left wide open, as I have indicated, with the single exception of the provision as to the 4 years.

I wish to call the Senator's attention to another thing. Under existing law a veteran cannot even start a course which might take more than 4 years. Under the committee bill he can start any course, but he can get paid only for the 4 years under the law. That is the limit he can get. If it takes 6 or 7 years and he wants to pay the rest of the tuition himself, he can do so under the committee bill. That was not possible under the original law.

Mr. MORSE. I thank the Senator for the explanation. It is perfectly satisfactory to me. Again I wish to commend the Committee on Finance for putting this provision into the new bill. It incorporates my bill, S. 850, which of course pleases me very much.

I have one more question, and then I shall be through for the present. The two Senators from Oregon also have pending before the Senate a bill, S. 977, which seeks to remedy the very serious housing condition which exists in practically all the institutions of higher learning in this country, so far as veterans are concerned. I do not desire to take a great deal of time to discuss the merits of the bill at this time, particularly if I can get some information as to whether or not there is anything in the GI bill as now proposed by the Committee on Finance which incorporates the housing program of S. 977. If there is not anything in the pending bill which will remedy the housing situation, then I shall have a conference with my colleague, the senior Senator from Oregon, and discuss the advisability of offering Senate bill 977 as an amendment to the pending bill. Housing for veterans is a very serious problem all over the country, insofar as providing veterans with actual educational opportunities is concerned.

I state to the Senate that it is true that several thousands of veterans have this fall been turned away from educational institutions because the towns in which the institutions are located have not been able to provide the veterans with housing facilities. I am sure other Senators as well as the Senators from Oregon have received a great many letters in regard to this problem. I suppose we have received more than our share because of the fact that we introduced Senate bill 977. I have received letters from college presidents, boards of trustees, veterans' organizations, chambers of commerce, and various other community groups pointing out that there has been a very serious break-down in administering the educational offerings of the GI bill of rights as it is now on the books, because of inadequacy of housing. Obviously it does not do any good to offer the veterans education unless we provide them not only with the educational facilities in which they can obtain the educational instruction but also with community facilities of housing so that they can live on the campuses with their families and secure the type of education under family conditions that they are certainly entitled to receive from this Government.

Mr. President, I think the matter is so serious, so far as the veterans are concerned, that while we are considering the present GI bill we ought to complete the job once and for all by taking the necessary steps in regard to housing as well as the other steps proposed in the amended bill. So I ask the Senator from Colorado if there is anything in the bill he is sponsoring today which seeks to provide the administrative machinery, and the funds with which to assure veterans that the necessary housing will be provided them immediately along some such lines as are set out in Senate bill 977?

Mr. JOHNSON of Colorado. I will say to the Senator that the committee did very seriously consider the bill offered by the Senators from Oregon, Senate bill 977, and the committee decided that the subject matter provided for in Senate bill 977 should come up in separate legislation.

There are housing bills now pending before the Congress and in other committees, and we thought the provisions contained in Senate bill 977 should be considered in relation with the other proposals which have been made.

The committee, however, did increase the payments to veterans attending school from \$50 to \$65 a month for single veterans without dependents, and from \$75 to \$90 a month for veterans with dependents. That was done partly because of the increased cost of housing at educational institutions.

Mr. President, one of the troubles connected with housing is that there is no building material available and there is no labor available for building houses at the present time. Of course, no matter what legislation we might enact now, it would not relieve the housing situation. But the housing matter is of tremendous importance not only to the students but to returning veterans, who want to find a place to live for themselves and their families. The committee felt that so long as other committees were giving study to the housing problem we, perhaps, should not dip into it in a piecemeal fashion and simply lift out one small part of it and take care of the distressing situation respecting housing for veterans who wish to attend school. For those reasons the committee did not incorporate in the pending bill the bill introduced by the Senators from Oregon, Senate bill 977, but we did consider it.

Mr. MORSE. Mr. President, I appreciate the Senator's viewpoint and the viewpoint, apparently, of the Finance Committee in regard to this problem, but I respectfully disagree with the decision the committee reached on S. 977. Giving the veterans more money for subsistence—and certainly they deserve more money for subsistence, irrespective of the need for providing for higher rentals—will not result in their obtaining living quarters in the present housing emergency. I say that because of the physical fact that the houses simply do not exist in these communities where the veterans wish to attend school. They are just not there. It is necessary not only to give them more money but to provide them with housing facilities. Our bill S. 977 does authorize funds for building housing facilities.

In this fall term which is now in progress we find educational institutions all over the country saying, "We cannot accommodate all the veterans who want to go to school." Just day before yesterday I received a letter from the director of veterans' work in the State of Oregon. He pointed out in the letter at some length that this veteran housing problem is one of the most vitally important emergency needs of our whole educational program under the GI bill of rights.

In many institutions, after January 1—and it is now nearly the middle of



November—the second school term will begin. I say most respectfully to the Senate that unless we take action on the housing problem now along the lines of S. 977 so that the educational institutions of the country can proceed immediately to build living quarters for veterans, there will be in January and February, when the second school term begins, many veterans who are not going to be able to go to school because they cannot be housed. Temporary quarters could be built out of available surplus war housing projects if this Congress could act now and not put this matter off.

Mr. President, I recognize that there are other housing bills pending, but I do not know of any other housing bill pending which seeks to provide the machinery that is set out in Senate bill 977 for the immediate relief of veterans who want to go to school insofar as authorizing colleges and local governmental units to obtain Federal funds for veteran housing.

The two Senators from Oregon had a very interesting series of experiences last week, in fact for the past 10 days, in their attempt to secure some surplus war houses for educational institutions. I see the distinguished Senator from Washington [Mr. MAGNUSON] on his feet. I may say to him that much of what I now say applies also to educational institutions in the State of Washington. In fact just today I had a conference with a member of the board of regents of the University of Washington, and he, too, is deploring the great shortage of housing facilities for veterans at that great institution, the University of Washington.

If necessary I could parade before the Senate, but I think Senators will take my word for it, because the mail itself which comes to other Senators will verify what I am saying—I could parade before the Senate a great volume of mail from educational institutions all over the country saying that sufficient housing does not exist for veterans with the result that they are being denied their rights under the GI bill of rights.

The Senators from Oregon have been trying to obtain for the institutions in the State of Oregon, and, incidentally, for the colleges in the entire Pacific Northwest, some temporary housing. There are thousands and thousands of units of temporary housing in this country that could be made available to veterans immediately if we could cut through some of the red tape in our various Government agencies here in Washington which makes it almost procedurally and physically impossible to get an immediate and quick release of those houses. That goes for the Army, the National Housing Administration, and the Surplus Property Administration and several other agencies that claim some interest in these homes. It is unbelievable the channels one must go through if one starts out, as we did a few days ago, to try to secure the release of some housing at Richland, Wash., and some housing at Vanport, Oreg., for educational institutions. The encumbrances which are placed in one's

way are manifold. I think it is the duty of the Senate to impress upon the administration the need for officials in those agencies to get their heads together and agree upon some simple procedure whereby these houses can very quickly be declared surplus and the red tape cut so that those houses can be made available for veterans who want to attend educational institutions. These war houses should be made available to colleges at nominal prices, because the depreciation of the houses is going to be very great and the purpose to which they will be put will be to serve veterans. Hence I say that these war houses ought to be made available to educational institutions at a nominal charge. There is no excuse for our agencies to make it so difficult to get quick release of these surplus houses.

It now takes weeks to get any action out of these agencies handling surplus houses. If they need new legislation to clarify their powers then let them so inform us. But delays in making them available to veterans cannot be longer tolerated.

So I say that if now we were to pass the pending GI bill, which contains some very excellent educational provisions for veterans, excellent, that is, if it were possible for veterans to take advantage of those provisions, and not to take the necessary time that it will require for us to pass at the same time an adequate housing bill, we will make a great mistake. Therefore I may in a few minutes offer S. 977 as an amendment to the pending bill.

Mr. JOHNSON of Colorado. Mr. President, I hope the Senator from Oregon will not do that. If he could remedy the deplorable housing conditions which exist by offering his amendment it would be worth while, but I am certain he would not thereby accomplish the purpose or the objective he has in mind. I feel certain he could not accomplish that purpose by adding the proposed amendment. It is not quite so simple a matter as that. A deplorable housing shortage exists in every city and in every community throughout the whole country, and of course that shortage prevails in institutions of learning just as it prevails elsewhere in the country. I do not think the educational institutions in Oregon are suffering any more than similar institutions are suffering elsewhere. The condition is Nation-wide.

Mr. MORSE. Mr. President, I am not speaking for the institutions in Oregon alone. On the basis of the support I have received from universities all over the country I think I can truthfully say that Senate bill 977 is supported by most of the institutions in which a housing shortage exists all over this country. The administrators of those colleges think S. 977 would work. They think it would supply them with the remedy they need to accommodate their increasing educational population. However, I am glad to have the Senator's views on the subject, and I shall desist at least for the moment in presenting the bill as an

amendment until I talk to my senior colleague.

Mr. President, I close my remarks by saying that I think if we do not consider the subject of housing in connection with the GI bill now pending, that the Finance Committee ought to proceed immediately to consider as its next item of business the veteran housing finance proposals. It should consider the bill offered by the Senator from Oregon, S. 977, so we can implement and put into effect the GI bill insofar as its educational provisions are concerned by giving the veterans the housing they need.

I think we need to investigate what is necessary to be done to short cut the procedure and red tape through which one must wind his way in a number of departments in order to have surplus housing actually declared surplus and delivered to the institutions of higher learning which need it. Under the present procedure one might conclude that the agencies of government have deliberately gone about to see how many barriers they can put up to stall for time and delay, and to make it impossible for these institutions to obtain housing quickly. The need for these surplus houses is immediate. In my judgment we have a right to say to the agencies now in conflict over jurisdiction, "You must agree upon a quick and simple procedure, so that one does not have to wait for weeks for action on surplus houses." When one gets into this problem he seems how simple it is in fact if the surplus property people would only use some common sense. It ought to be only a matter of hours—and I say that advisedly—to declare houses surplus and make them available to governmental institutions and educational institutions of the country for just such purposes as this veterans' bill seeks to accomplish.

Mr. JOHNSON of Colorado. The Senator knows that all the things which he has suggested so far as the use of surplus housing is concerned can now be done by agencies which have been authorized by law to do the very things which he suggests.

So far as legislation is concerned, I invite his attention to the fact that the Committee on Banking and Currency handles housing legislation. It is working on the problem at the present moment, and I believe that very shortly it will have some legislation to present to us. The problem is bigger than the veterans' educational problem. It affects all of our people everywhere. It is national in scope, and should be handled by special and separate legislation. At least, that is what our committee thought. I hope the Senator will not ask us to incorporate his very splendid amendment in this bill.

Mr. MORSE. If the Senator thinks it is easy to get surplus houses for colleges under existing red tape, I suggest he join the Senators from Oregon in their attempt to get some of the surplus housing. I think I can give the Senator a practical demonstration of the fact that under the present procedure we cannot get it either in time to meet emergency needs or on such terms as make it feasible.



ible for the colleges to use the houses. I think the Surplus Property Board should clarify this matter without further delay. If the veterans are not provided with these houses the responsibility is clearly that of those in charge of surplus property and upon the administration which permits them to handle this matter so inefficiently.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. MAGNUSON. Mr. President, I have an amendment at the desk—

Mr. JOHNSON of Colorado. Does the Senator from California wish to offer an amendment?

Mr. KNOWLAND. I have an amendment at the desk, but I should like to ask a question. I wish to make certain that the Senator who is presenting the bill to the Senate for the committee feels sure that the section relating to persons on terminal leave takes care of the situation. I was prepared to offer an amendment to cover this subject. The legislative counsel thought that the amendment should be inserted at another place. I refer to the provision under which persons might take advantage of the educational provisions while they were on terminal leave. The present law prohibits that.

Mr. JOHNSON of Colorado. The matter to which the Senator refers will be found in section 1507, on page 67. The provision which the committee inserted goes a little beyond the provisions of the Senator's amendment. It makes the provisions of the bill apply also to loans and to other features of the bill in addition to the educational features.

Mr. KNOWLAND. The only thing I wished to make certain was that the provision which the committee has written will protect those who are on terminal leave. I wish to make certain that it is not necessary to insert that provision in earlier sections. Does the Senator believe that the one section is all-inclusive?

Mr. JOHNSON of Colorado. Yes.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. GEORGE. The section is all-inclusive, and not only takes care of the veteran on terminal leave, but also the veteran who is hospitalized and awaiting discharge.

Mr. KNOWLAND. Mr. President, I have an amendment which I should like to offer.

Mr. MAGNUSON. Mr. President, I should like to ask the Senator from California a question. What is the basis for the Senator's statement that the present law prohibits a man on terminal leave from going to an educational institution?

Mr. KNOWLAND. It prohibits him from taking advantage of the educational provisions while he is on terminal leave. I have had the question up with the Veterans' Administration.

Mr. MAGNUSON. Why?

Mr. KNOWLAND. Because he has not been finally discharged, and the present law requires discharge.

Mr. GEORGE. Mr. President, the present law requires that the person be discharged under conditions other than dishonorable. It has been held that when he is on terminal leave he is not

actually discharged from the service, and would have to await his discharge before he could take advantage of the educational privileges.

Mr. MAGNUSON. Along that line, I wish to point out to the Senator from California that one of the other barriers to either taking employment or going to school while on terminal leave is the question of pay. I have been conferring with the Attorney General for some weeks on that question. Day before yesterday I received a letter from him in which it was stated that after some investigation it was determined that under the so-called Lane Act a person may receive his terminal pay in a lump sum, thereby freeing him so that he may go to work for the Government or for a corporation.

Of course, the question of discharge enters into the educational features, but the act to which I have referred means something to many who are not actually discharged, and who could not otherwise take another job for the reason that they were being paid by the Government. The Veterans' Administration has been notified of the opinion of the Attorney General.

Mr. KNOWLAND. Mr. President, I believe that the Senator from Washington has done a very excellent job in bringing this question to the attention of the Attorney General, because that was one of the problems which the veterans were facing.

Mr. President, I offer the amendment, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from California will be stated.

The CHIEF CLERK. On page 48, line 17, in the committee amendment, after the word "space", it is proposed to insert a comma and strike out the word "and"; and in line 18, after the word "facilities", it is proposed to insert the words "and stenographic assistance."

Mr. KNOWLAND. Mr. President, this is a short amendment. It can best be understood if I read the paragraph as it would read if the amendment were adopted. The amendment to section 200 of the Servicemen's Readjustment Act of 1944 would then read as follows:

(c) The Administrator of Veterans' Affairs is further authorized at his discretion and under such regulations as he may prescribe to furnish necessary space, suitable office facilities, and stenographic assistance for the use of paid full-time representatives of such organizations, with reimbursement on an actual cost basis.

My amendment merely adds "and stenographic assistance." I understand that it is now the practice in the Veterans' Administration to furnish such assistance to the veterans organizations which need stenographic assistance in order to do the work which they are doing. This amendment would merely continue the present practice.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from California [Mr. KNOWLAND].

Mr. SALTONSTALL. Mr. President, I should like to ask the Senator in charge of the bill a question. I ask the

Senator from Colorado if, in the consideration of this question, the committee considered the fact that the purpose of the bill is to assist the veteran to obtain an education? The purpose of the amendment which we are now considering is to extend the opportunity to a greater number of veterans. Under the present law the educational institutions must be approved by the administrator of the Veterans' Administration. Such approval is given by him upon the recommendation of various State commissions established by the Governors in the various States. My question is this: The amendment involves an extension of time. That means that younger persons will be seeking the educational advantages provided by the law. Has the committee given consideration to the question whether there will be room in institutions which are approved for the increased number of veterans over the longer period? The last thing in the world that we wish to do is to hold out to the veteran the hope that he will be able to get an education if there is not room for him in any approved institution. The only alternative for the Administrator of the Veterans' Administration is to increase the number of institutions, which would mean more fly-by-night institutions, which would not give the veteran the education to which he is entitled.

I know that today in my own State most of the institutions of higher learning are full to the doors, and will continue to be as the boys who are now on leave come home. Has the committee given consideration to the question whether there will be room in the institutions for the additional number of veterans, with younger persons seeking to use the facilities as they become of age?

Mr. JOHNSON of Colorado. I will say to the Senator that, while the committee hopes that there will be room, there is not very much that we can do about it. We cannot build educational institutions. About all we can do is to provide for the veteran's tuition, books, and subsistence, and then hope that State institutions or private educational institutions will find a place for him. The bill does not undertake to build or provide educational institutions.

Mr. SALTONSTALL. I understand that; but I know that the Senator does not wish to hold out to the veteran the hope that he will be able to get an education, if lack of room in approved institutions will prevent him from obtaining it. We may have the same problem in this connection that we have had in connection with discharges. When the number of points necessary for discharge was reduced, the men thought they were going home, and then discovered that they could not go home. There is danger of the same condition in connection with the educational problem.

Mr. GEORGE. Mr. President, I say to the Senator that no remedy was sought for the condition and situation to which he has referred, but there was consideration of the general problem and there has been consideration of it by the Veterans' Administration. The same is true as to housing. There are



inadequate and insufficient numbers of houses in which to house the student bodies, particularly the veterans, at many educational institutions. Many of the educational institutions themselves are becoming somewhat overcrowded. Of course, it is estimated that there may be a million or more than a million men who, after leaving the armed forces, will seek some form of training in educational institutions. Of course, they will be scattered all over the country. While there will be some overcrowding, it is hoped by the Veterans' Administration, I think, that they will be able to take care reasonably well of the problem of institutional capacity to take care of veterans.

This question is particularly acute, as the Senator from Oregon has pointed out, in the case of housing. It is also acute in many cases insofar as the capacity of the institution itself is concerned. That was one of the reasons why we did not believe it wise to take away all power of the Administrator to make contracts with educational institutions in cases in which they insist that they do not have the means or the funds to enable them to furnish educational opportunities to an increasing number of returned veterans, without making an additional charge to the veterans. We relieved the veteran from liability for the additional charge, and we left it in the hands of the Administrator himself to make some payments to institutions beyond what the institution charged resident students, let us say, because it is thought that in that way many of the educational institutions may increase their capacity and their teaching forces and may be able to take care of more veterans than they otherwise would be able to take care of.

However, during the next 4 years we shall have an acute problem both with respect to housing and with respect to the capacity of the institutions, particularly those which are chosen by large numbers of returned veterans. Probably that will be true in almost every State, because a great many of the veterans will desire to go to the State university, let us say, or into the State educational system for the completion of their education or training. It is one of the things that we cannot fully meet in an entirely satisfactory manner at the moment. But the veteran is free to make his own selection of the institution which he will attend. He may with the permission of the Administrator, of course, even change his selection of an institution.

The Administrator is approving practically all the institutions in the country which also are approved by the approving bodies of the States concerned. While we have sought to limit and to restrict the fly-by-night institutions which may spring up merely for the purpose of getting the money the Government is providing the veterans, the Administrator has ample authority to permit special training courses and postgraduate courses, short-term courses, and short-period courses.

All in all, it is felt that while the pinch of the housing problem and of the lack of capacity in many educational institutions will perhaps be felt in the months

immediately ahead, gradually it will eliminate itself as we get a little further away from the period of actual hostilities.

Mr. SALTONSTALL. Mr. President, I know the distinguished senior Senator from Georgia will agree with me that there is a serious shortage of teachers and that the shortage will continue to exist during the next few years; and, of course, as these institutions fill up and as the number of students in them increases, the burden on the teachers will become greater.

What we wish to do, as I see it, is to give the heartiest and strongest support to the Administrator of Veterans' Affairs to encourage him not to weaken in his stand against approving fly-by-night schools. The pressure on him will become greater and greater to approve institutions of less and less educational value. What we do not want to do by extending the period of time for the veterans to obtain an education is to deceive the veteran by allowing him to be entered in schools of very inferior caliber which may have been approved by the Veterans' Administrator under tremendous pressure.

I bring up this subject because I think it will be of the utmost importance in the years to come that we support the Veterans' Administrator to the very best of our ability.

Mr. GEORGE. Mr. President, I think the Senator is quite correct, and his observations are wise and timely.

By extension of the time in which the veteran may complete or pursue his education and by extension of the time within which he may become a home owner or farm owner or go into business—that is, extension of the period in which he may obtain a loan—we have sought to avoid or prevent the very congestion which the Senator points out is likely to occur. Particularly we have had in mind the extension which would result from the provision offering a loan to a veteran or aiding a veteran to obtain a loan during a longer period, rather than requiring him to obtain the loan within a very short period of time. We thought definitely that requiring the loan to be made within a very restricted period had a tendency to bring about inflation in the value of homes or farms.

Of course, there are many unsolved problems with respect to veterans. But this bill will answer a great many of them; and, particularly, the Administrator will have the power, under the bill, to make some payments to institutions of learning, over and beyond payments made by resident students, because it is recognized that their teaching forces are reduced and it is recognized that the institutions themselves will have to expend a considerable sum of money in order to meet the increasing demands by virtue of the education of veterans.

As was pointed out by the distinguished Senator from Colorado and the distinguished Senator from Oregon, we have eliminated any age restriction, so that the veteran may enter a school of his own choice or may take training of his own choice, under the safeguards contained in the bill, regardless of his age and regardless of whether he had been attending an educational institution

prior to the time of his induction into the service.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. CORDON. I listened to the colloquy between my colleague and the Senator from Colorado with reference to the serious housing situation which exists at educational institutions. In view of the fact that the bill refers only to the education of veterans of the present World War, and most particularly because the bill was introduced on the 7th of May of this year, I regret that the Finance Committee felt that Senate bill 977 was not a matter for its consideration. Mr. President, this is the first information which either my colleague or I have had that the committee felt that that bill was not within its province. As a result, we have not had an opportunity to present it to another committee or to urge its consideration. So here we are now, with our men returning by the thousands, and registering or attempting to register at institutions of learning by the thousands, and being turned away for lack of housing. It seems that we must now substantially start again to clear up the housing situation. It is a situation which prevails in every State of the Union and, I believe, at every educational institution that is receiving applications in any number from the returning veterans.

Do I correctly understand that the Finance Committee feels that Senate bill 977 is not a proper matter for its consideration?

Mr. JOHNSON of Colorado. Mr. President, we consider that such legislation should be handled in a bill by itself, and that it should not be a part of the so-called GI bill.

Mr. CORDON. I understood the Senator from Colorado to say in answer to my colleague—

Mr. JOHNSON of Colorado. Mr. President, if the Senator will permit me to finish—

Mr. CORDON. Pardon me.

Mr. JOHNSON of Colorado. We also call attention to the fact that there is a committee, namely, the Banking and Currency Committee, which handles housing, and that the shortage to which the Senator refers, which is most deplorable, affects the people of the United States generally, whether they wish to go to school or whether they do not wish to go to school. There is a great shortage of building material and a serious shortage of labor in the building trades. The housing problem is being considered by another committee, and the veterans' aspect of it represents only a part of the total subject. It is rather hard to segregate the two.

Mr. CORDON. The measure I have in mind is intended only to provide funds with reference to housing projects.

Mr. JOHNSON of Colorado. It is not a question of funds; it is a question of being able to purchase necessary material, and being able to hire workers. There are plenty of financial resources, private resources, in all the cities of Oregon, and in the other cities of the Nation which could furnish money for the build-



ing of houses if it were possible to obtain necessary building material and workers. But there is a housing shortage which goes far beyond any housing shortage connected with educational institutions.

While the situation is deplorable, I do not think the Congress should deal with it in piecemeal fashion. We should take up the housing problem in separate legislation. The veteran who wishes to go to school and the veteran who does not wish to go to school should be taken care of at the same time. The proposal of the Senator from Oregon takes care only of the veteran who wishes to go to school. The veteran who wishes to work is left without any housing whatever.

#### VISIT OF MISS AMERICA TO SENATE GALLERY

Mr. BARKLEY. I wish to invite attention of the Senate to the fact that there is sitting in the Senate gallery a very charming young American who is now on a Nation-wide bond sales trip and has up to the present encountered remarkable success in the sale of Victory bonds.

As Senators know, every year a contest is held in Atlantic City for the purpose of deciding who shall be Miss America for the current year. When the contest was held this year, among many attractive and beautiful competitors, Miss Bess Meyerson, of New York City, was chosen to be Miss America of 1945. She is now engaged in a trip across the continent in selling Victory bonds. She has honored us by visiting us and is now sitting in the gallery. I ask unanimous consent that the Senate rise and greet her at this moment. I may add that the Treasury Department has informed me that she is doing a remarkable job in the sale of Victory bonds.

(In response to Mr. BARKLEY's suggestion, the Members of the Senate rose and applauded.)

#### AMENDMENTS TO GI BILL OF RIGHTS

The Senate resumed the consideration of the bill (H. R. 3749) to amend the Servicemen's Readjustment Act of 1944 to provide for a readjustment allowance for all veterans of World War II.

Mr. CORDON. Mr. President, I wish to make a further observation. As I understand the Senator from Colorado, the committee feels that Senate bill 977, referring as it does only to housing for veterans who are attending educational institutions, should not be considered separately, but should be considered in connection with any other housing legislation which may currently be considered. Am I correct in my understanding?

Mr. JOHNSON of Colorado. That is my personal opinion. I think that the entire matter of housing should be considered as one problem, and should not be separated and broken down into fragments. I think that we should not enact legislation at this time with regard only to veterans who may wish to attend school, but that we should enact legislation with respect to veterans who wish to obtain housing, whether they may desire to go to school or not.

Mr. CORDON. In that event, while I regret that the committee did not consider the bill, and I frankly assert that

in my opinion, that such consideration would have come within its province, I understand that the committee is entitled to have a different view with regard to the matter. But under those circumstances, certainly the committee would not object to being discharged from further consideration of Senate bill 977 and having the bill referred to the Committee on Banking and Currency.

Mr. JOHNSON of Colorado. No; we would welcome such action.

Mr. CORDON. Mr. President, I ask unanimous consent that the Committee on Finance be discharged from further consideration of Senate bill 977, and that the bill be referred to the Committee on Banking and Currency.

The PRESIDING OFFICER. Is there objection?

Mr. GEORGE. Mr. President, I do not know with what the bill deals. Does the bill deal with anything except housing?

Mr. CORDON. It deals with housing and extra tuition for discharged veterans.

Mr. JOHNSON of Colorado. It deals with subsistence allowances. It is a proper matter for our committee to consider, and we have dealt with it in the pending legislation.

Mr. GEORGE. I should like to have an opportunity to examine the bill before I consent to the unanimous consent request of the Senator from Oregon. If the bill covers only the subject of housing, I have no objection.

Mr. CORDON. It deals also with subsistence.

Mr. GEORGE. We have dealt with that subject in the pending bill.

Mr. CORDON. Mr. President, because the problem is important, and because it should have immediate consideration, I hope my colleague [Mr. MORSE] will agree to eliminate any question of subsistence in the bill and have it refer solely to housing, and thereby get the bill before a committee and obtain for it consideration.

Mr. GEORGE. If the bill refers only to housing I have no objection to it being referred to the appropriate committee for consideration. It is not conceivable to my mind how the housing problem of veterans could be handled alone. Generally speaking, housing would have to be constructed upon private property. It is not conceivable to me how a housing program for veterans alone—

Mr. CORDON. Mr. President, it is quite evident that the Senator from Georgia is not familiar with the bill because the bill contains a provision simply for extending credit to institutions of learning on an especially reduced interest rate so that such institutions may provide what they find to be necessary in the way of housing in order to take care of the returned GI's who attend such institutions. The provision is simply one for special loans.

Mr. GEORGE. I do not see how institutions of learning could take advantage of that kind of a bill. However, I have no objection to the Finance Committee being discharged from further consideration of the bill if there is eliminated from the bill everything which pertains to subsistence, so that the sole purpose of the bill will be to deal with the housing problem.

The PRESIDING OFFICER. The Senator from Oregon may introduce a new bill.

Mr. CORDON. Mr. President, I have asked unanimous consent that the committee be discharged from further consideration of the bill, and that it be referred to the Committee on Banking and Currency.

Mr. GEORGE. I do not wish to take snap judgment on a piece of legislation of this character. I object to the committee being discharged at this time from further consideration of the bill.

The PRESIDING OFFICER. Objection is heard.

Mr. LUCAS. Mr. President, I suggest to the Senator from Oregon [Mr. CORDON] that he introduce immediately an amended form of the bill and have it referred. The bill should eliminate what it is contend should not be before the Finance Committee.

Mr. CORDON. I appreciate the suggestion of the Senator from Illinois. The present bill has been before the committee for some time. The committee evidently does not care to consider it.

Mr. MORSE. Mr. President, I wish to make it clear that I am in complete agreement with the senior Senator from Oregon. I assert to the chairman of the Finance Committee that I most certainly hope, because of my great respect for his judgment, that he will give the bill S. 977 close scrutiny in view of his objection to the request of the senior Senator from Oregon that the committee be discharged from further consideration of the bill.

I have been very shocked to discover at this very late hour that all the work which the senior Senator and the junior Senator from Oregon have done in our attempts to clear the channels for an early hearing on this bill has apparently been in vain. I thought the bill had been receiving the consideration of the Finance Committee for the past several weeks and now I discover that the committee knows little about it. I shall look forward to an early hearing on the bill in keeping with my requests for such a hearing. In fact I regretted that we could not have such a hearing before the summer recess was taken. I urged it then. I fully expected it would be considered carefully by the committee in connection with the pending bill.

I repeat what I said earlier in my remarks, namely, that if Senators really want to do something for the veterans besides make speeches about what they would like to do for them, their cooperation in enacting Senate bill 977 would be of very great benefit to veterans and to America's educational institutions.

I assert to the Senator from Colorado [Mr. JOHNSON] that when he talks about the impossibility of building at the present time, and the scarcity of building material, if I could obtain a hearing on this bill I am sure I could demonstrate to the Senator's complete satisfaction—he is a very fair-minded man—that the representatives of the institutions of higher learning would convince him that they are in position in many localities to provide veterans with housing at the present time if the provisions of Senate bill 977 were enacted into law by the



Congress of the United States. We have removed in the bill the obstacles which confront institutions in providing housing. College presidents tell me that they can construct buildings on their properties if they were given financial assistance in doing so. S. 977 provides the financial arrangements which will enable the colleges of America to build adequate housing for veterans. This Senate cannot justify delaying action either on S. 977 or the problems which it seeks to solve. If the educators agree, as they do, that the bill will enable them to build houses let us hear them on it. I tell the Senator from Colorado that delay cannot be justified on the ground that even if S. 977 were law, houses could not be built anyway.

That is a question of fact. All I am asking is that if the bill is to stay in the Committee on Finance, the committee extend to us the courtesy of a very early hearing on the bill, which we have been seeking. If, however, the Finance Committee feels it should be considered along with other housing bills by the Committee on Banking and Currency, then I hope the Finance Committee will offer to discharge itself from consideration of the bill, so that the Senators from Oregon can proceed to complete what we think is a very important job in the interest of the educational institutions and in the interest of the veterans.

I shall wait until the chairman of the Finance Committee studies S. 977 and then join with my colleague again in repeating the request for unanimous consent to discharge the Committee on Finance. I trust that after the distinguished Senator from Georgia has had an opportunity to study the bill and communicate with other committee members in regard to it he will either withdraw his objection or proceed to give us a hearing. I think that either the Committee on Finance should proceed with early hearings on the bill or should extend to us the privilege of having it heard before the Committee on Banking and Currency.

Mr. JOHNSON of Colorado. Mr. President, the Senate Committee on Finance has held hearings on Senate bill 977. We held hearings on housing and all related legislation. We had 5 days of hearings on the proposed legislation, and heard everyone who had anything to say about it. The committee acted upon some very important provisions of Senate bill 977, and we acted upon them almost to the full extent recommended by the two Senators from Oregon in their bill. So it is not quite fair to say that we have not given this matter any attention, that we have not held hearings, because we have done so. However, I do hope that the Senators from Oregon will revise their bill and will present it to the Committee on Banking and Currency, because we have already acted with respect to part of the provisions.

Mr. MORSE. The only difficulty is that the two Senators, the authors of the bill, had a great deal of material which they wished to introduce to the Finance Committee if they could have had opportunity to appear before the committee in response to a communication which the junior Senator from Ore-

gon sent to the committee, in which he informed the committee that we did have material we would like to have the committee consider. We did not know the committee was going to consider the matter along with the bill now pending before the Senate without getting our views. I therefore renew my request that at a very early date the committee give favorable consideration to the request of the two Senators from Oregon that they be given an opportunity to appear before the committee and present to the committee such material as we have, if the committee wishes to retain jurisdiction over the bill.

Mr. JOHNSON of Colorado. Certainly the committee will do as the Senator requests.

Mr. MORSE. I was completely confident that the Senator from Colorado would desire to do that.

Mr. JOHNSON of Colorado. We do not want to be a dog in the manger in any respect.

Mr. MORSE. I know it is the Senator's desire in all these matters, once we get them out on the floor of the Senate, to find out what the difference of opinion is.

I wish now to comment on the suggestion made by the Senator from Massachusetts. I think it is well to point out that many of our educational institutions are somewhat congested, but it is also true that many of them are now going forward with expansion programs. I do not think that even in the immediate future we are going to find such congestion as will make it impossible to give the veterans the educational opportunity which the GI bill, in its revised form, seeks to offer them.

Of course, the alternative would be to keep age limitations in the law, and we would then say to the veteran, "We are not going to give you educational opportunities, because we are not ready to go forward with an expansion program large enough to give you the opportunity." That, of course, is unthinkable. If it should be true that the educational institutions could not presently accommodate the veterans who need education and seek it, we should see to it that they are given the funds necessary to enable them to expand their programs in order to provide the facilities necessary to make it possible for veterans to get their education, without any age limitation.

Let me say on that point, further, that I am not sure we appreciate the great reformation which is taking place in American education. The educators of the country recognize that they are going to have to reform in many major ways what has been considered traditional educational policy. I am sure that they will find that on most campuses in the United States the student bodies can be enlarged by considerable percentages under existing facilities. I would say offhand, by way of understatement, that there are few educational institutions in this country which cannot enlarge their student bodies immediately by 25 percent through a more efficient and effective use of the facilities they now have.

Educators generally recognize that they have been guilty of maintaining

what in the educational world is called "luxury schedules," and that the facilities at many of the institutions are not used a goodly number of hours a day. I mean that they are not used to full capacity and efficiency. In the past 20 years I have had some interesting experiences in building college schedules. Senators would be surprised at the small percentages of the facilities of institutions sometimes used in the afternoon periods because of the fact that students prefer classes in the morning hours, if they can get their work all scheduled in the morning hours. Many classes are scheduled in the afternoon but in most institutions more could be scheduled and larger classes could be taught.

I say, therefore, that I do not think we should hesitate for one moment to remove the age limitation, and to hold out for the veterans of this war the promise, and deliver on the promise, that we will make available to them those educational facilities necessary for them to get the education the bill seeks to provide them.

I say that because I think the educators of the country are going to have to meet the obligation the bill places upon them to do two things, first, to take the steps necessary in curricula building and in scheduling to see to it that all their facilities are used to the maximum extent possible, including early evening classes; second, that they also take the steps necessary to recommend reasonable expansion of the educational institutions of this country, so that all veterans can be provided with the services we seek in this bill to give them.

Mr. President, that is not going to result in waste, because I think we should all recognize that in the changing era of the immediate future we are going to find that these patterns of adult education which are being set now pretty much by this veteran educational program are going to remain as a permanent part of our educational system. Whatever facilities we do build by way of an expansion program will not be wasted facilities, but will be needed to meet the larger adult education needs of this country for years to come.

I know of no better investment which States, communities, and the Federal Government can make with tax dollars than to invest them in educational facilities, so that our people can ever become more and more enlightened free men and women.

My attention has been called to the fact—and I direct this question to the Senator from Colorado—that the bill as now proposed does not provide for business courses for veterans. I have not had an opportunity to check it in sufficient detail to make certain, but one of my colleagues on the floor of the Senate a few minutes ago asked me to make inquiry as to whether or not the bill makes it possible for approved or so-called accredited business colleges to take advantage of the so-called GI bill and allow veterans to take business courses.

Mr. JOHNSON of Colorado. Yes; it gives the veteran free choice as to whether the course he picks is a business course or otherwise. The only limitation



is the \$500 overall tuition fee, and the book provision.

Mr. MORSE. If the Administrator of the Veterans' Administration decides that "X" business college offers an approved and accredited course which he thinks merits sending veterans to it, he can enter into a contract with that business college to send veterans to it?

Mr. JOHNSON of Colorado. That is correct, with the limitation of \$500.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from California [Mr. KNOWLAND], to the amendment reported by the committee.

Mr. JOHNSON of Colorado. The committee feels that what is provided for by the amendment of the Senator from California is being done by the Veterans' Administration under the present laws and regulations, and there is nothing in the bill which prohibits it. But we can take the amendment to conference, if the Senator desires, and the Senator in charge of the bill is not offering any objection.

The PRESIDING OFFICER. Without objection, the amendment of the Senator from California to the committee amendment is agreed to.

Mr. MAGNUSON. Mr. President, I have an amendment at the desk which I wish to have stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. In the committee amendment at the proper place it is proposed to insert the following:

That title I of the Servicemen's Readjustment Act of 1944 is amended by adding at the end of such title a new section as follows:

"SEC. 106. In any case in which a person has died or shall hereafter die as a result of personal injury sustained, or disease contracted, or of preexisting injury or disease aggravated, in line of duty in the active military or naval service on or after September 16, 1940, and prior to the termination of the present war, his surviving widow, if any, shall be eligible for benefits under this act to the same extent and under the same conditions as the deceased person would be if he were living and had been separated from the service under circumstances entitling him to such benefits. No such widow shall be entitled to receive any benefits under this act after she shall have remarried, except that the remarriage of any such widow shall not in any way affect the guaranty of any loan under title III of this act made prior to the date of such remarriage."

Mr. MAGNUSON. Mr. President, I will say to the Senate that this amendment provides that the widow of a serviceman killed in the war or who has died or shall hereafter die as a result of injuries sustained or disease contracted in line of duty shall be entitled to the same benefits under the GI Act, would the serviceman himself if he were living.

I wish to say to the Senator from Colorado that I did not appear before the committee and discuss the amendment simply because there seemed to be some mix up. My office had called the committee, and I was to be informed when I could appear before the committee. I did not realize that the hearings had closed. But I have discussed the proposal with some members of the committee. I discussed it also with the War

Department and with the Navy Department, and I am sure there will be no objection to it. It would probably involve only a minimum number of young women who were married during the war years, whose husbands were killed, and who probably might not want to remarry. Under the amendment they would be afforded the opportunity to go to school, to make loans, to buy homes, and obtain some of the other advantages and benefits under the GI bill of rights. Many of these young women have small children, and they have to take the place of their husbands who were killed in the war, and provide for the support of their families.

My proposal provides that upon remarriage, of course, these benefits will stop. I can really see no objection to the amendment. I think it is something we owe not only to the men who died in the war, who gave everything, but equally to their widows and families. I hope the committee will have no objection to the amendment.

Mr. JOHNSON of Colorado. Mr. President, the committee gave consideration to the amendment presented by the Senator from Washington to provide benefits to the widows of the veterans who were killed or who died from disease during the war. We also gave consideration to another amendment, which was in the form of a bill offered by the Senator from Montana [Mr. WHEELER], Senate bill 487, which would extend the benefits to the children of veterans. The committee decided that the benefits of this legislation should be confined to the veterans themselves and should not at this time be extended or expanded. Reluctantly the committee rejected the amendment of the Senator from Washington which was his bill, S. 866, and also the bill offered by the Senator from Montana, S. 487, and did not include them in the pending bill. I hope they will not be included in the bill on the floor of the Senate.

Mr. MAGNUSON. Mr. President, I hope the Senator from Colorado will not confuse the two proposals. The Senator from Montana proposes that the benefits be extended to the children of those who died in the war. My proposal is somewhat different from that. If my amendment were embodied in the bill the only recipients of its benefits would be young women who take the places of their husbands who died in the war. They have actually become the heads of the households, the heads of the families. Many of them want to buy homes. Many of them are unsettled. Many of them followed them in the service around the country. A great many of them have children. The men were killed, and although in some cases there may have been something left for their wives, the widows still should be entitled to such help as is provided in my amendment. Some of them, of course, will remarry. The amendment will involve a very small number. We will have to take care of them somehow, some way, in the future, and I think we might well give them opportunities for education and for buying homes, if they want to settle down, and help them to help themselves. I can see

no better way to do it than to place such an amendment in the act. If we go further and deal with children and other relatives, of course we run into much more difficulty. But, as I interpret the situation, it would only apply to, and the only applicants would be those who step into the shoes of the men who were killed.

Mr. President, I hope the Senate will vote the amendment into the bill.

Mr. JOHNSON of Colorado. Mr. President, of course under existing law, under other provisions of the law, not under the GI bill of rights, widows receive pensions and children receive remuneration from the Federal Government. If we are to extend such benefits it ought to be done in those laws instead of in the pending measure.

I hope the Senate will not approve the amendment offered by the Senator from Washington.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Washington [Mr. MAGNUSON] to the committee amendment.

The amendment to the amendment was rejected.

The PRESIDENT pro tempore. The committee amendment is still open to further amendment.

If there be no further amendment to be offered, the question is on agreeing to the committee amendment, as amended.

The committee amendment, as amended, was agreed to.

The PRESIDENT pro tempore. The question is on the engrossment of the amendment, and the third reading of the bill.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

The PRESIDENT pro tempore. The question is on the passage of the bill.

Mr. FERGUSON. Mr. President, while we are speaking of veterans, and of building homes and places of residence for veterans, I desire to read into the RECORD two letters. I think we should also consider the matter the veterans being brought home so that when they come home we can properly provide for them.

I think the following is very interesting:

HEADQUARTERS, SEVEN HUNDRED  
AND FORTY-NINTH RAILWAY  
OPERATING BATTALION,  
APO 75, October 26, 1945.

Memorandum No. 77.  
To all concerned:

This was a memo placed on a bulletin board in the Pacific:

1. Dissemination of information.

(a) The following is quoted from memorandum, Headquarters, AFWESPAC, Office of Chief of Transportation, dated October 25, 1945, for information and guidance of all concerned:

"The Chief of Transportation directs that officers, enlisted personnel, and civilian employees refrain from divulging or offering any information whatsoever, repeat, any information whatsoever, to any newspaper, magazine, periodical, or public relations officer at any time, repeat, at any time.

"Strict and implicit compliance with this matter is enjoined upon everyone."



That was No. 1. On the same memo I read as follows:

2. Theater schedule:

(a) The following films will be shown at this organization's theater on dates indicated:

The Big Sleep, October 27.

And I know the boys were interested in what I next read, as follows:

Sing Your Way Home, October 30.

By order of Lieutenant Colonel Donnelly:  
RAYMOND J. MCCARTHY,  
Captain, TC, Adjutant.

The foregoing was founded upon what I now read:

HEADQUARTERS, UNITED STATES  
ARMY FORCES, WESTERN PACIFIC, OFFICE  
OF THE CHIEF OF TRANSPORTATION,  
APO 707, October 25, 1945.

To all personnel assigned COT:

1. The Chief of Transportation directs that officers, enlisted personnel, and civilian employees refrain from divulging or offering any information whatsoever, repeat, any information whatsoever, to any newspaper, magazine, periodical or public relations officer at any time, repeat, at any time.

2. Strict and implicit compliance with this matter is enjoined upon everyone.

For the Chief of Transportation:

J. B. CARROL,  
Colonel, T. C., Executive Officer.

Mr. President, these memoranda indicate that the boys are under strict orders not to talk about anything in relation to getting home. I think that is very significant, and I believe that the Congress should know about these orders.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. KNOWLAND. What were the dates of the two publications? Were they subsequent to VJ-day?

Mr. FERGUSON. One is dated the 26th of October 1945, and the other the 25th of October 1945. So I take it that these memoranda were not solely for security purposes.

The PRESIDENT pro tempore. The bill having been read the third time, the question is, Shall it pass?

The bill (H. R. 3749) was passed.

The title was amended so as to read: "An act to amend the Servicemen's Readjustment Act of 1944, and for other purposes."

#### ASSURANCE OF WORK OPPORTUNITIES FOR VETERANS

Mr. MAGNUSON. Mr. President, we have engaged in considerable discussion concerning veterans' rights today. I think there is one portion of the veterans' problem which the Senate and all agencies of Government have neglected. We have talked about the veteran who wants to go to school, about the veteran who needs housing, and other phases of the subject, but to a great extent we have neglected, I think the veteran who comes home and wants to get a job and go back to work. I refer particularly to the 6,000,000 veterans of this war who had no professions, no trades, and no jobs before they went into the service, and who now come back not wanting to go to school, not wanting perhaps to exercise any other rights under the GI bill of rights, but only to get a job. At one time we set up an agency to deal with that situation. It was unfortunately placed under the same

man who headed the Veterans Bureau, General Hines. What happened was not the fault of General Hines. He had too much to do in the Veterans Bureau. As a result the Retraining and Reemployment Administration shriveled, so to speak, on the vine in the Veterans Bureau. President Truman did a wise thing recently in transferring that agency to the Department of Labor. I think that agency should be revitalized and given every opportunity to reintegrate the job problem for the veterans, particularly those who had no jobs before they went to war.

So Mr. President, on behalf of myself and the Senator from Colorado [Mr. JOHNSON] and the distinguished Senator from Oregon [Mr. MORSE] I now introduce a bill to establish a veterans' Job Act and integrated national program for assuring maximum work opportunities and careers for veterans in a free competitive economy through the concerted efforts of industry, agriculture, labor, foreign trade, private agencies, State and local governments, and the Federal Government.

I had expected to make a statement concerning the bill on my own behalf, as well as on behalf of the two cosponsors, but the hour is late and I ask unanimous consent to introduce the bill for the study of the Senate at this time, to have it properly referred, and to have it printed in the RECORD.

There being no objection, the bill (S. 1579) to establish a Veterans Job Act and integrated national program for assuring maximum work opportunities and careers for veterans in a free competitive economy through the concerted efforts of industry, agriculture, labor, foreign trade, private agencies, State and local governments, and the Federal Government, introduced by Mr. MAGNUSON (for himself, Mr. JOHNSON of Colorado, and Mr. MORSE), was received, read twice by its title, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

*Be it enacted, etc.,* That this act may be cited as the "Veterans' Job and Integrated National Program Act of 1945."

SEC. 2. In order that there shall be maximum work opportunities and careers for veterans without displacing other workers, the National Retraining and Reemployment Administration established under title III of the War Mobilization and Reconversion Act of 1944 (hereinafter referred to as the "Administration") is authorized and directed to formulate a veterans' job and integrated national program which shall be designed—

(a) to explore and foster the development of the unused industrial, business, service trades, scientific, agricultural, fishing industries, foreign trade, and educational opportunities within the economic fabric of the American way of life of free competitive enterprise and the investment of private capital;

(b) to foster the optimal utilization and development of national resources in all geographical areas;

(c) to cause studies to be made toward perfecting of airway, highway, and transportation media, and to promote inland waterways and coastal development to the end that methods of distribution may be improved and provide additional employment for veterans and others;

(d) to foster scientific research in order to develop new industries, new processes, new

techniques, new trade routes, new business ventures, and new professional opportunities for veterans and all the people;

(e) to provide training and education to equip veterans for the new jobs, professions, and businesses accruing from the programs set up under this act;

(f) to conduct long- and short-range program planning designed by forestall veterans' unemployment in recessions or depressions;

(g) to coordinate in conformity with a veterans' job and integrated national program those functions of various Federal Government agencies concerned with or engaged in handling veterans' programs and problems relating to employment, business, training, and education;

(h) to assist and cooperate with State, community, and private agencies concerned with veterans' employment, business, training, and educational questions;

(i) to suggest uniform patterns of participation for State, community, and private agencies;

(j) to develop sufficient modern scientific vocational and avocational service centers in the communities or counties throughout the United States, its Territories, and possessions, to insure veterans adequate informational and counseling facilities, such centers to serve as a standard for all the people;

(k) to utilize the loan provisions now available or to be made available, the services and facilities now available or to be made available to implement the operation of this act;

(l) to integrate all veterans' programs with employment needs for the purpose of reducing to a minimum through employment the aggregate costs of weekly veterans' readjustment allowances;

(m) To facilitate the establishment of necessary and useful new enterprises in the various communities of the Nation which will insure the fullest possible economic development of all our Nation's peacetime resources in order to stimulate an ever-expanding national economy.

SEC. 3. Upon formulation of the veterans' job and integrated national program provided for under section 2, the Administration shall (a) to the extent that the activities contemplated thereunder are authorized by existing law, take such action as may be necessary to place such program into effect, and (b) shall transmit to the Congress its recommendations concerning legislation necessary to carry out any activities contemplated under such program which are not authorized under existing law.

SEC. 4. (a) In formulating and carrying out the veterans' integrated national program under this act, the Retraining and Reemployment Administration is authorized to exercise all the powers conferred upon it by sections 302 and 303 of the War Mobilization and Reconversion Act of 1944.

(b) Section 302 (a) of the War Mobilization and Reconversion Act of 1944 is hereby amended by striking out "(except the Veterans' Administration and the Administrator of Veterans' Affairs)."

SEC. 5. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this act.

Mr. MAGNUSON. I also ask unanimous consent to have the statement I had planned to make in connection with the bill printed in the body of the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

On my own behalf, and on behalf of Senators JOHNSON of Colorado, and MORSE of Oregon, I am introducing for study a bill to establish a veterans' job and integrated national program to assure maximum work opportunities and careers in a free competitive economy. This would be done through the



combined efforts of industry, agriculture, labor, foreign trade, the service trades, private agencies, State and local governments, and the Federal Government.

In introducing this bill, no interests are represented and the purpose of this integrated national program is to assure maximum work opportunities and careers for veterans without displacing other workers. This would be done by revitalizing the Retraining and Reemployment Administration, which was created as a separate executive agency during the war and which has been transferred to the Department of Labor. It is our aim to give that Administration the tools it needs to do the job already at hand and to charge it with certain responsibilities to accomplish these objectives.

We believe that this bill meets an urgent need and to the best of our knowledge it does not conflict with or duplicate any pending legislation. This effort to create a veterans' job and integrated national program is designed, first, to enable the veterans to recapture the time and opportunities they lost while serving their country in the armed forces; secondly, to enable them to work in jobs, businesses, and in the professions on equitable terms with those who remained at home during the war; and, thirdly, to enable the veterans to become permanently more self-reliant and self-sufficient in their assimilation into civil life.

This program is designed also to be self-liquidating. Not only will it show a profit to the veterans in work opportunities and careers, but it will show an immediate profit to the taxpayers of this Nation by reducing the veterans' unemployment readjustment allowances, which are costing the taxpayers now \$2,000,000 each week.

It is highly significant that at the peak of the critical manpower shortage, just before the German surrender, those payments to unemployed veterans were costing the taxpayers \$615,000 each week. It is obvious that the weekly expenditures to unemployed veterans which total at present \$2,000,000 each week will tend to rise sharply as 11,000,000 of our men and women in uniform are shortly discharged. Fifty-one million dollars has been paid out up to date and the Veterans' Administration estimates that \$1,000,000,000 will have been paid out through the fiscal year of 1947. This expenditure to unemployed veterans would increase also in proportion to the number of workers made idle by mounting disputes in industrial relations. We can look back upon a reminder that during the depression following World War I there were 1,500,000 veterans currently unemployed. As early as 1943 the Department of Commerce pointed out that, in 1946, we could produce the same amount of goods that we produced in 1940 and still have 19,000,000 workers unemployed. An uneasy situation is facing us now, and that is why we urge an immediate study and passage of this act to create this integrated national program.

The press, the radio, and the veterans themselves are complaining that the veteran is getting the run-around when he seeks information concerning work opportunities, careers, business, and the other thousand and one things which any veteran asks after having been out of touch with the civilian world for months and in most cases several years. It is only natural that the veteran would feel that he gets the run-around. The crisis of suddenly handling millions of our returning service people has thrown upon our Federal, State, and community agencies a load which they are unprepared to handle. One of the purposes of this veterans' job and integrated national program is to coordinate all of the many and varied Federal activities available to assist the communities in organizing their information or veterans' service centers by giving them information which they seek.

The Federal Government has not issued an index and guide to the various Federal activities concerning veterans' affairs which can be used by those workers and counselors who are trying to serve the veterans in the field offices of Federal, State, community, and private agencies. There are approximately 8,000 communities which are seeking information and need a coordinated Federal plan to serve as a pattern and guide to assist them in the proper organization of their community centers. In some communities they have set up separate centers of their own. In other communities where there is a United States Employment Service office the public-spirited citizens have taken space adjoining it or in a nearby building. In other communities the citizens' committees use space donated by one of the veterans' organizations. In any and every case, the communities are in dire need of information about Federal activities concerning veterans' affairs which is coordinated and organized before it is given them.

We are now in the position we found ourselves in the early days of the Republic when each community had its own postal system and established its own postal rates. Until recently our educational systems differed considerably in each State and community. The communities need veterans' information which is prepared for national consumption and guidance just as much as weather information which is coordinated and supplied by the Federal Government. When the veteran was sent off to war he was given all the latest information to equip him for battle. He was likewise directed to the points where there was likely to be some fighting. Likewise it is now our duty to afford the veteran the best organized information available as to where he is likely to find the most favorable work or career opportunities. In assisting the communities and the States in the administration of their programs they seek organized material concerning:

1. Information and referral service.
2. Registration and placement in job, business, or professional opportunities in the particular community, other communities, States, or foreign fields.
3. Advisory interviewing in connection with placement or referral.
4. Educational and vocational guidance.
5. The latest scientific methods available in matching abilities to jobs, professions, businesses, and careers.
6. Training.
7. Rehabilitation.
8. Social, economic, and health service.

The veteran has made a down payment on his future. It is our responsibility to pick up where the armed services have left off. That is our responsibility in enacting this veterans' jobs and integrated national program.

In the general dislocation and unemployment attending reconversion and possible recessions the veterans will become increasingly a special problem if we do not make their affairs a matter of special attention now. As an example of how veterans may be floundering in a whirlpool of labor-force currents, I cite an excerpt from a report concerning the general labor force appraisal by M. P. Catherwood, commerce commissioner of New York State, who is also chairman of the Reconversion Service Agency. He reported to the Governor of New York on the 22d of last month that a recent State-wide survey showed there were 200,000 jobs available in the State of New York and at the same time there were 175,000 persons receiving unemployment compensation. He referred to this as a "dangerous inconsistency" and stated the figures "indicated the importance of bringing jobs and job seekers together." He further commented that aggravation of this condition could "seriously impair the reconversion functions of the State."

The administration of a veterans' job and integrated national program act will give the appropriate agencies of Government better machinery to offer practical measures in composing the inevitable controversies between veterans' organizations and organized labor concerning the general employment of veterans. We do not predict that this program will solve all the problems to the satisfaction of the veterans' organizations, organized labor, or industry. But we believe that this program will provide a vehicle behind which all groups can put their strength toward fulfilling their obligations to the veterans and toward stimulating fuller employment for others as well as for veterans.

This program can help serve as a prime mover of an ever-expanding economy. However, if it does nothing more than merely simplify methods of assisting the assimilation of veterans smoothly into civil life, it will have paid enormous dividends by freeing them of the feeling that they are obliged to group themselves into a separate segment of our economy. Applications for unnecessary unemployment compensation alone will make it difficult for us to adjust our national budget. We can do much now, in these days of demobilization, to avoid the repetition of the unfortunate experience of the abuses of power exerted by the Grand Army of the Republic in the reconstruction period following the Civil War. We have in the 20,000,000 living veterans of our wars a potential force for constructive good.

Twenty million living veterans are the direct concern of most of the families of our Nation. We need that potential power of the veterans to keep our Nation strong and secure. After World War I we all became apathetic to our national security and the spirit of our veterans was allowed to disintegrate. All of this encouraged the enemies of our form of government to prepare for war and to attempt to destroy us.

Who knows? The fate of our Nation may well rest with our decisions now. High military authorities state that peace may not last 10 years unless we remain strong to engineer our breathing spell into a permanent world structure for security. Our foreign observers are disturbed and report that the United States faces a dilemma. Many soldiers are returning disillusioned; in some cases the very nations they helped to free are regarding our troops as interlopers. It is a dangerous phenomenon. Our money alone will not buy the respect and support of other nations.

It is predicted by many authorities on world affairs that the United States may well abdicate its present world leadership. The eyes of the world are upon us in peace as they were in the global war of survival. The 45 smaller members of the United Nations look to us as a main hope.

In the course of history every nation preceding us which had attained world leadership reached its zenith and subsequently lost its position of leadership. We can now demonstrate to the world that we can do in peace what we did in war. If we put our own house in order promptly we are more likely to retain the leadership we have retained in this war at such cost of lives, blood, sweat, tears, and treasure.

In setting forth arguments in favor of this veterans' job and integrated national program bill, I am drawing freely from the speech delivered in the Seventy-ninth Congress on August 1st by my distinguished colleague, Senator EDWIN C. JOHNSON of Colorado, when he introduced a resolution proposing to create a joint committee of the Senate and House of Representatives to conduct a thorough investigation of all veterans' affairs to the end that there shall be a veterans' integrated national program. In his speech, delivered prior to the Japanese surrender, Senator JOHNSON emphasized that this program was imperative. Now that we are striving to make the abrupt adjustment



79<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 3749

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IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 8, 1945

Ordered to be printed with the amendments of the Senate

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## AN ACT

To amend the Servicemen's Readjustment Act of 1944 to provide for a readjustment allowance for all veterans of World War II.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That Public Law 346, Seventy-eighth Congress, be amended  
4       to read as follows:

5       That this Act may be cited as the "Servicemen's Re-  
6       adjustment Act of 1945".



## TITLE I

CHAPTER I—HOSPITALIZATION, CLAIMS, AND  
PROCEDURES

SEC. 100. The Veterans' Administration is hereby declared to be an essential war agency and entitled, second only to the War and Navy Departments, to priorities in personnel, equipment, supplies, and material under any laws, Executive orders, and regulations pertaining to priorities, and in appointments of personnel from civil-service registers the Administrator of Veterans' Affairs is hereby granted the same authority and discretion as the War and Navy Departments and the United States Public Health Service: *Provided*, That the provisions of this section as to priorities for materials shall apply to any State institution to be built for the care or hospitalization of veterans.

SEC. 101. The Administrator of Veterans' Affairs and the Federal Board of Hospitalization are hereby authorized and directed to expedite and complete the construction of additional hospital facilities for war veterans, and to enter into agreements and contracts for the use by or transfer to the Veterans' Administration of suitable Army and Navy hospitals after termination of hostilities in the present war or after such institutions are no longer needed by the armed services; and the Administrator of Veterans' Affairs is hereby authorized and directed to establish necessary regional offices,

1 suboffices, branch offices, contact units, or other subordinate  
2 offices in centers of population where there is no Veterans'  
3 Administration facility, or where such a facility is not readily  
4 available or accessible: *Provided*, That there is hereby author-  
5 ized to be appropriated the sum of \$500,000,000 for the con-  
6 struction of additional hospital facilities.

7       SEC. 102. The Administrator of Veterans' Affairs and  
8 the Secretary of War and Secretary of the Navy are hereby  
9 granted authority to enter into agreements and contracts for  
10 the mutual use or exchange of use of hospital and domiciliary  
11 facilities, and such supplies, equipment, and material as may  
12 be needed to operate properly such facilities, or for the trans-  
13 fer, without reimbursement of appropriations, of facilities, sup-  
14 plies, equipment, or material necessary and proper for author-  
15 ized care for veterans, except that at no time shall the Ad-  
16 ministrator of Veterans' Affairs enter into any agreement  
17 which will result in a permanent reduction of Veterans' Ad-  
18 ministration hospital and domiciliary beds below the number  
19 now established or approved, plus the estimated number re-  
20 quired to meet the load of eligibles under laws administered  
21 by the Veterans' Administration, or in any way subordinate  
22 or transfer the operation of the Veterans' Administration to  
23 any other agency of the Government.

24       Nothing in the Selective Training and Service Act of  
25 1940, as amended, or any other Act, shall be construed

1 to prevent the transfer or detail of any commissioned, ap-  
2 pointed or enlisted personnel from the armed forces to the  
3 Veterans' Administration subject to agreements between the  
4 Secretary of War or the Secretary of the Navy and the Ad-  
5 ministrator of Veterans' Affairs: *Provided*, That no such  
6 detail shall be made or extend beyond six months after the  
7 termination of the war.

8       SEC. 103. The Administrator of Veterans' Affairs shall  
9 have authority to place officials and employees designated by  
10 him in such Army and Navy installations as may be deemed  
11 advisable for the purpose of adjudicating disability claims of,  
12 and giving aid and advice to, members of the Army and  
13 Navy who are about to be discharged or released from active  
14 service.

15       SEC. 104. No person shall be discharged or released from  
16 active duty in the armed forces until his certificate of dis-  
17 charge or release from active duty and final pay, or a sub-  
18 stantial portion thereof, are ready for delivery to him or to  
19 his next of kin or legal representative; and no person shall  
20 be discharged or released from active service on account of  
21 disability until and unless he has executed a claim for com-  
22 pensation, pension, or hospitalization, to be filed with the  
23 Veterans' Administration or has signed a statement that  
24 he has had explained to him the right to file such claim:  
25 *Provided*, That this section shall not preclude immediate



1 transfer to a veterans' facility for necessary hospital care, nor  
2 preclude the discharge of any person who refuses to sign  
3 such claim or statement: *And provided further,* That refusal  
4 or failure to file a claim shall be without prejudice to any  
5 right the veteran may subsequently assert.

6 Any veteran entitled to a prosthetic appliance shall  
7 be furnished such fitting and training, including institutional  
8 training in the use of such appliance as may be necessary,  
9 whether in a Veterans' Administration facility, other train-  
10 ing institution, or by out-patient treatment, including such  
11 service under contract and including necessary traveling ex-  
12 penses to and from their homes to such hospital or training  
13 institution.

14 The Administrator of Veterans' Affairs may procure  
15 any and all items mentioned herein, including necessary serv-  
16 ices required in the fitting, supplying, and training in use of  
17 such items by purchase, manufacture, contract, or in such  
18 other manner as the Administrator may determine to be  
19 proper without regard to any other provision of law.

20 SEC. 105. No person in the armed forces shall be re-  
21 quired to sign a statement of any nature relating to the  
22 origin, incurrence, or aggravation of any disease or injury  
23 he may have, and any such statement against his own  
24 interest signed at any time, shall be null and void and of no  
25 force and effect.

## 1 CHAPTER II—AID BY VETERANS' ORGANIZATIONS

2 SEC. 200. (a) That upon certification to the Secretary  
3 of War or Secretary of the Navy by the Administrator of  
4 Veterans' Affairs of paid full time accredited representatives  
5 of the veterans' organizations specified in section 200 of the  
6 Act of June 29, 1936 (Public Law Numbered 844, Seventy-  
7 fourth Congress), and other such national organizations rec-  
8 ognized by the Administrator of Veterans' Affairs thereunder  
9 in the presentation of claims under laws administered by the  
10 Veterans' Administration, the Secretary of War and Secre-  
11 tary of the Navy are hereby authorized and directed to permit  
12 the functioning, in accordance with regulations prescribed  
13 pursuant to subsection (b) of this section, of such accredited  
14 representatives in military or naval installations on shore from  
15 which persons are discharged or released from the active mili-  
16 tary or naval service: *Provided*, That nothing in this section  
17 shall operate to affect measures of military security now in  
18 effect or which may hereafter be placed in effect, nor to  
19 prejudice the right of the American Red Cross to recognition  
20 under existing statutes.

21 (b) The necessary regulations shall be promulgated by  
22 the Secretary of War and the Secretary of the Navy jointly  
23 with the Administrator of Veterans' Affairs to accomplish  
24 the purpose of this section, and in the preparation of such  
25 regulations the national officer of each of such veterans'

1 organizations who is responsible for claims and rehabilitation  
2 activities shall be consulted. The commanding officer of each  
3 such military or naval installation shall cooperate fully with  
4 such authorized representatives in the providing of available  
5 space and equipment for such representatives.

6 CHAPTER III—REVIEWING AUTHORITY

7 SEC. 300. The discharge or dismissal by reason of the  
8 sentence of a general court martial of any person from the  
9 military or naval forces, or the discharge of any such per-  
10 son on the ground that he was a conscientious objector who  
11 refused to perform military duty or refused to wear the  
12 uniform or otherwise to comply with lawful orders of  
13 competent military authority, or as a deserter, or of an offi-  
14 cer by the acceptance of his resignation for the good of  
15 the service, shall bar all rights of such person, based upon  
16 the period of service from which he is so discharged or  
17 dismissed, under any laws administered by the Veterans'  
18 Administration: *Provided*, That in the case of any such  
19 person, if it be established to the satisfaction of the Ad-  
20 ministrator that at the time of the commission of the of-  
21 fense such person was insane, he shall not be precluded from  
22 benefits to which he is otherwise entitled under the laws  
23 administered by the Veterans' Administration: *And pro-*  
24 *vided further*, That this section shall not apply to any war



1 risk, Government (converted), or national service life-  
2 insurance policy.

3       SEC. 301. The Secretary of War and the Secretary of  
4 the Navy, after conference with the Administrator of Vet-  
5 erans' Affairs, are authorized and directed to establish in the  
6 War and Navy Departments, respectively, boards of review  
7 composed of five members each, whose duties shall be to  
8 review, on their own motion or upon the request of a former  
9 officer or enlisted man or woman or, if deceased, by the sur-  
10 viving spouse, next of kin, or legal representative, the type  
11 and nature of his discharge or dismissal, except a discharge  
12 or dismissal by reason of the sentence of a general court  
13 martial. Such review shall be based upon all available  
14 records of the service department relating to the person  
15 requesting such review, and such other evidence as may be  
16 presented by such person. Witnesses shall be permitted to  
17 present testimony either in person or by affidavit and the  
18 person requesting review shall be allowed to appear before  
19 such board in person or by counsel: *Provided*, That the term  
20 "counsel" as used in this section shall be construed to in-  
21 clude, among others, accredited representatives of veterans'  
22 organizations recognized by the Veterans' Administration  
23 under section 200 of the Act of June 29, 1936 (Public Law  
24 Numbered 844, Seventy-fourth Congress). Such board shall  
25 have authority, except in the case of a discharge or dismissal

1 by reason of the sentence of a general court martial, to  
2 change, correct, or modify any discharge or dismissal, and to  
3 issue a new discharge in accord with the facts presented to  
4 the board. The Articles of War and the Articles for the  
5 Government of the Navy are hereby amended to authorize  
6 the Secretary of War and the Secretary of the Navy to  
7 establish such boards of review, the findings thereof to be  
8 final subject only to review by the Secretary of War or the  
9 Secretary of the Navy, respectively: *Provided*, That no  
10 request for review by such board of a discharge or dismissal  
11 under the provisions of this section shall be valid unless filed  
12 within fifteen years after such discharge or dismissal or within  
13 fifteen years after the effective date of this Act whichever  
14 be the later.

15 SEC. 302. (a) The Secretary of War, the Secretary of  
16 the Navy, and the Secretary of the Treasury are authorized  
17 and directed to establish, from time to time, boards of review  
18 composed of five commissioned officers, two of whom shall  
19 be selected from the Medical Corps of the Army or Navy,  
20 or from the Public Health Service, as the case may be. It  
21 shall be the duty of any such board to review, at the request  
22 of any officer retired or released to inactive service, without  
23 pay, for physical disability pursuant to the decision of a  
24 retiring board or board of medical survey, the findings and

1 decision of such retiring board or board of medical survey.  
2 Such review shall be based upon all available service records  
3 relating to the officer requesting such review, and such  
4 other evidence as may be presented by such officer. Wit-  
5 nesses shall be permitted to present testimony either in person  
6 or by affidavit, and the officer requesting review shall be  
7 allowed to appear before such board of review in person or by  
8 counsel. In carrying out its duties under this section such  
9 board of review shall have the same powers as exercised by, or  
10 vested in, the retiring board whose findings and decision are  
11 being reviewed. The proceedings and decision of each such  
12 board of review affirming or reversing the decision of the  
13 retiring board shall be transmitted to the Secretary of War,  
14 the Secretary of the Navy, or the Secretary of the Treasury,  
15 as the case may be, and shall be laid by him before the  
16 President for his approval or disapproval and orders in the  
17 case.

18 ~~(b)~~ No request for review under this section shall be  
19 valid unless filed within fifteen years after the date of retire-  
20 ment for disability or after the effective date of this Act,  
21 whichever is the later.

22 ~~(c)~~ As used in this section—

23 ~~(1)~~ the term “officer” means any officer subject to  
24 the laws granting retirement for active service in the



1 Army, Navy, Marine Corps, or Coast Guard, or any of  
2 their respective components;

3 ~~(2)~~ the term "counsel" shall have the same mean-  
4 ing as when used in section 301 of this Act.

## 5 TITLE II

### 6 CHAPTER IV—EDUCATION OF VETERANS

7 SEC. 400. ~~(a)~~ Subsection ~~(f)~~ of section 1, title I,  
8 Public Law Numbered 2, Seventy-third Congress, added  
9 by the Act of March 24, 1943 (Public Law Numbered 16,  
10 Seventy-eighth Congress), is hereby amended to read as  
11 follows:

12 "~~(f)~~ Any person who served in the active military or  
13 naval forces on or after September 16, 1940, and prior to  
14 the termination of hostilities in the present war, shall be  
15 entitled to vocational rehabilitation subject to the provisions  
16 and limitations of Veterans Regulation Numbered 1 ~~(a)~~,  
17 as amended, part VII, or to education or training subject  
18 to the provisions and limitations of part VIII."

19 ~~(b)~~ Veterans Regulation Numbered 1 ~~(a)~~, is hereby  
20 amended by adding a new part VIII, as follows:

#### 21 "PART VIII

22 "1. Any person who served in the active military or  
23 naval service on or after September 16, 1940, and prior  
24 to the termination of the present war, and who shall have

1 been discharged or released therefrom under conditions other  
2 than dishonorable, and whose education or training was  
3 impeded, delayed, interrupted, or interfered with by reason  
4 of his entrance into the service, or who desires a refresher  
5 or retraining course, and who either shall have served ninety  
6 days or more, exclusive of any period he was assigned for  
7 a course of education or training under the Army specialized  
8 training program or the Navy college training program,  
9 which course was a continuation of his civilian course and  
10 was pursued to completion, or as a cadet or midshipman  
11 at one of the service academies, or shall have been dis-  
12 charged or released from active service by reason of an  
13 actual service-incurred injury or disability, shall be eligible  
14 for and entitled to receive education or training under this  
15 part: *Provided*, That such course shall be initiated not later  
16 than four years after either the date of his discharge or  
17 the termination of the present war, whichever is the later:  
18 *Provided further*, That no such education or training shall  
19 be afforded beyond nine years after the termination of the  
20 present war: *And provided further*, That any such person  
21 who was not over 25 years of age at the time he entered  
22 the service shall be deemed to have had his education or  
23 training impeded, delayed, interrupted, or interfered with.  
24 "2. Any such eligible person shall be entitled to educa-  
25 tion or training, or a refresher or retraining course, at an

1 approved educational or training institution, for a period  
2 of one year (or the equivalent thereof in continuous part-time  
3 study); or for such lesser time as may be required for the  
4 course of instruction chosen by him. Upon satisfactory com-  
5 pletion of such course of education or training, according to  
6 the regularly prescribed standards and practices of the insti-  
7 tutions, except a refresher or retraining course, such person  
8 shall be entitled to an additional period or periods of educa-  
9 tion or training, not to exceed the time such person was in  
10 the active service on or after September 16, 1940, and  
11 before the termination of the war, exclusive of any period  
12 he was assigned for a course of education or training under  
13 the Army specialized training program or the Navy college  
14 training program, which course was a continuation of his  
15 civilian course and was pursued to completion, or as a cadet  
16 or midshipman at one of the service academies, but in no  
17 event shall the total period of education or training exceed  
18 four years: *Provided*, That his work continues to be satis-  
19 factory throughout the period, according to the regularly  
20 prescribed standards and practices of the institution: *Pro-*  
21 *vided, however*, That wherever the additional period of in-  
22 struction ends during a quarter or semester and after a major  
23 part of such quarter or semester has expired, such period of  
24 instruction shall be extended to the termination of such  
25 unexpired quarter or semester.



1       “3 (a) Such person shall be eligible for and entitled to  
 2 such course of education or training as he may elect, and at  
 3 any approved educational or training institution at which he  
 4 chooses to enroll, whether or not located in the State in which  
 5 he resides, which will accept or retain him as a student or  
 6 trainee in any field or branch of knowledge which such  
 7 institution finds him qualified to undertake or pursue: *Pro-*  
 8 *vided*, That, for reasons satisfactory to the Administrator,  
 9 he may change a course of instruction: *And provided further*,  
 10 That any such course of education or training may be dis-  
 11 continued at any time, if it is found by the Administrator  
 12 that, according to the regularly prescribed standards and  
 13 practices of the institution, the conduct or progress of such  
 14 person is unsatisfactory.

15       “(b) Any such eligible person may apply for a short,  
 16 intensive, postgraduate or vocational training course of less  
 17 than 30 weeks: *Provided*, That the Administrator shall  
 18 have the authority to contract with approved institutions  
 19 for such courses if he finds that the agreed cost of such  
 20 courses is reasonable and fair: *Provided further*, That the  
 21 limitation of paragraph 5 shall not prevent the payment of  
 22 such agreed rates, but there shall be charged against the  
 23 veteran's period of eligibility the proportion of an ordinary  
 24 school year which the cost of the course bears to \$500.

25       “4. From time to time the Administrator shall secure

1 from the appropriate agency of each State a list of the edu-  
2 cational and training institutions (including industrial estab-  
3 lishments), within such jurisdiction, which are qualified and  
4 equipped to furnish education or training (including ap-  
5 prenticeship and refresher or retraining training), which in-  
6 stitutions, together with such additional ones as may be  
7 recognized and approved by the Administrator, shall be  
8 deemed qualified and approved to furnish education or  
9 training to such persons as shall enroll under this part: *Pro-*  
10 *vided*, That wherever there are established State apprentice-  
11 ship agencies expressly charged by State laws to administer  
12 apprentice training, whenever possible, the Administrator  
13 shall utilize such existing facilities and services in training  
14 on the job when such training is of one year's duration or  
15 more.

16 "5. The Administrator shall pay to the educational or  
17 training institution, for each person enrolled in full time, part  
18 time, or correspondence course of education or training, the  
19 customary cost of tuition, and such laboratory, library, health,  
20 infirmary, and other similar fees as are customarily charged,  
21 and may pay for books, supplies, equipment, and other  
22 necessary expenses, exclusive of board, lodging, other living  
23 expenses, and travel, as are generally required for the suc-  
24 cessful pursuit and completion of the course by other students  
25 in the institution: *Provided*, That in no event shall such

1 payments, with respect to any person, exceed \$500 for an  
2 ordinary school year: *Provided further*, That no payments  
3 shall be made to institutions, business or other estab-  
4 lishments furnishing apprentice training on the job: *And*  
5 *provided further*, That if any such institution has no estab-  
6 lished tuition fee, or if its established tuition fee shall be found  
7 by the Administrator to be inadequate compensation to such  
8 institution for furnishing such education or training, he is  
9 authorized to provide for the payment, with respect to any  
10 such person, of such fair and reasonable compensation as  
11 will not exceed \$500 for an ordinary school year.

12 "6. While enrolled in and pursuing a course other  
13 than a course in a correspondence school under this part,  
14 such person, upon application to the Administrator, shall  
15 be paid a subsistence allowance of \$60 per month, if  
16 without a dependent or dependents, or \$85 per month, if  
17 he has a dependent or dependents, including regular holidays  
18 and leave not exceeding thirty days in a calendar year.  
19 Such person attending a course on a part-time basis, and  
20 such person receiving compensation for productive labor  
21 performed as part of their apprentice or other training on  
22 the job at institutions, business or other establishments, shall  
23 be entitled to receive such lesser sums, if any, as subsistence  
24 or dependency allowances, as may be determined by the  
25 Administrator: *Provided*, That any such person eligible



1 under this part, and within the limitations thereof, may pursue  
2 such full-time or part-time course or courses as he may elect,  
3 without subsistence allowance.

4       “7. Any such person eligible for the benefits of this  
5 part, who is also eligible for the benefit of part VII, may  
6 elect which benefit he desires: *Provided*, That, in the event  
7 of such election, subsistence allowance hereunder shall not  
8 exceed the amount of additional pension payable for training  
9 under said part VII.

10       “8. No department, agency, or officer of the United  
11 States, in carrying out the provisions of this part, shall exer-  
12 cise any supervision or control, whatsoever, over any State  
13 educational agency, or State apprenticeship agency, or any  
14 educational or training institution: *Provided*, That nothing  
15 in this section shall be deemed to prevent any department,  
16 agency, or officer of the United States from exercising any  
17 supervision or control which such department, agency, or  
18 officer is authorized, by existing provisions of law, to exer-  
19 cise over any Federal educational or training institution, or  
20 to prevent the furnishing of education or training under this  
21 part in any institution over which supervision or control is  
22 exercised by such other department, agency, or officer under  
23 authority of existing provisions of law.

24       “9. The Administrator of Veterans' Affairs is authorized

1 and empowered to administer this title, and, insofar as he  
2 deems practicable, shall utilize existing facilities and services  
3 of Federal and State departments and agencies on the basis  
4 of mutual agreements with them. Consistent with and sub-  
5 ject to the provisions and limitations set forth in this title,  
6 the Administrator shall, from time to time, prescribe and  
7 promulgate such rules and regulations as may be necessary  
8 to carry out its purposes and provisions.

9       “10. The Administrator may arrange for educational  
10 and vocational guidance to persons eligible for education and  
11 training under this part. At such intervals as he deems  
12 necessary, he shall make available information respecting  
13 the need for general education and for training personnel in  
14 the various crafts, trades, and professions: *Provided*, That  
15 facilities of other Federal agencies collecting such informa-  
16 tion shall be utilized to the extent he deems practicable.

17       “11. As used in this part, the term ‘educational or  
18 training institutions’ shall include all public or private ele-  
19 mentary, secondary, and other schools furnishing education  
20 for adults, business schools and colleges, correspondence  
21 schools, scientific and technical institutions, colleges, voca-  
22 tional schools, junior colleges, teachers colleges, normal  
23 schools, professional schools, universities, and other educa-  
24 tional institutions, and shall also include business or other

1 establishments providing apprentice or other training on  
2 the job, including those under the supervision of an ap-  
3 proved college or university or any State department of  
4 education, or any State apprenticeship agency or State  
5 board of vocational education, or any State apprenticeship  
6 council or the Federal Apprentice Training Service  
7 established in accordance with Public, Numbered 308, Sev-  
8 enty-fifth Congress, or any agency in the executive branch  
9 of the Federal Government authorized under other laws to  
10 supervise such training."

11 "12. The Government shall pay for these correspondence  
12 courses quarterly as the course is completed.

13 "13. No correspondence school shall be approved unless  
14 it was in existence prior to the date of this Act.

15 SEC. 401. Section 3, Public Law Numbered 16,  
16 Seventy-eighth Congress, is hereby amended to read as  
17 follows:

18 "SEC. 3. The appropriation for the Veterans' Adminis-  
19 tration, 'Salaries and expenses, medical and hospital, and  
20 compensation and pensions', shall be available for necessary  
21 expenses under part VII, as amended, or part VIII of  
22 Veterans Regulation Numbered 1 (a), and there is hereby  
23 authorized to be appropriated such additional amount or  
24 amounts as may be necessary to accomplish the purposes



1 thereof. Such expenses may include, subject to regulations  
2 issued by the Administrator and in addition to medical care,  
3 treatment, hospitalization, and prosthesis, otherwise author-  
4 ized, such care, treatment, and supplies as may be necessary  
5 to accomplish the purposes of part VII, as amended, or  
6 part VIII of Veterans Regulation Numbered 1 (a).

7 SEC. 402. Public Law Numbered 16, Seventy-eighth  
8 Congress, is hereby amended by adding thereto a new  
9 section 4 to read as follows:

10 "SEC. 4. Any books, supplies, or equipment furnished  
11 a trainee or student under part VII or part VIII of Veterans  
12 Regulation Numbered 1 (a) shall be deemed released to  
13 him: *Provided*, That if he fail, because of fault on his part  
14 to complete the course of training or education afforded  
15 thereunder, he may be required, in the discretion of the  
16 Administrator, to return any or all of such books, supplies,  
17 or equipment not actually expended or to repay the reason-  
18 able value thereof."

19 SEC. 403. Paragraph 1, part VII, Veterans Regulation  
20 Numbered 1 (a) (Public Law Numbered 16, Seventy-  
21 eighth Congress), is hereby amended by inserting after the  
22 word "time" the words "on or" and deleting the date  
23 "December 6, 1941" and substituting therefor the date  
24 "September 16, 1940".

1 TITLE III—LOANS FOR THE PURCHASE OR CON-  
2 STRUCTION OF HOMES, FARMS, AND BUSI-  
3 NESS PROPERTY

4 CHAPTER V—GENERAL PROVISIONS FOR LOANS

5 SEC. 500. (a) Any person who shall have served in  
6 active military or naval service of the United States at any  
7 time on or after September 16, 1940, and prior to the  
8 termination of the present war, and who shall have been  
9 discharged or released therefrom under conditions other  
10 than dishonorable after active service of ninety days or  
11 more, or by reason of an injury or disability incurred in  
12 service in line of duty, shall be eligible for benefits of this  
13 title. Any such veteran may apply within six years after  
14 separation from the military or naval forces, or six years  
15 after termination of the war, whichever is the later date,  
16 but in no event more than eight years after the termination  
17 of the war, to any of the established lending agencies here-  
18 inafter set forth for a loan for the purposes set forth in the  
19 title in any amount that may be agreed upon between the  
20 lender and the veteran, and when such a loan is made by  
21 the lender the lender is automatically guaranteed 50 per  
22 centum of the loan by the Administrator of Veterans' Affairs  
23 and this Act is the guaranty: *Provided*, That the aggregate  
24 amount guaranteed shall not exceed \$2,000: *Provided*

1 *further*, That no loan shall be negotiated until thirty days  
2 after the date of the veteran's discharge.

3 ~~(b)~~ Interest for the first year on that part of the loan  
4 guaranteed shall be paid by the Administrator out of avail-  
5 able appropriations.

6 ~~(c)~~ The liability under the guaranty, within the lim-  
7 itations of this title, shall decrease or increase pro rata  
8 with any decrease or increase of the amount of the unpaid  
9 portion of the obligation: *Provided*, That loans guaranteed  
10 shall bear interest at a rate not exceeding 4 per centum per  
11 annum and shall be payable in full in not more than twenty  
12 years.

### 13 CERTIFICATE OF ELIGIBILITY

14 SEC. 501. ~~(a)~~ An honorable discharge shall be the  
15 veteran's certificate of eligibility to apply for a guaranteed  
16 loan. All veterans who have a discharge other than honor-  
17 able or dishonorable shall receive from the Administrator upon  
18 request after discharge a certificate of eligibility. Upon the  
19 making of a loan as provided herein the lender shall en-  
20 dorse on the back of the honorable discharge or certificate,  
21 in lieu of discharge or certificate of eligibility, the date and  
22 amount of the loan and shall also forthwith transmit to the  
23 Administrator a statement setting forth the full name and  
24 serial number of the veteran, amount and terms of the loan,  
25 and the legal description of the property. No approval of



1 the loan shall be required from the Administrator. Loans  
2 may be made by any Federal Reserve bank, National bank,  
3 State bank, private bank, building and loan association,  
4 insurance company, or mortgage and loan company estab-  
5 lished prior to the date of this Act, and any other lending  
6 institution or any person approved by the Administrator.

7 (b) All national banks wherever located and all other  
8 banks and trust companies located in the District of Columbia  
9 and other Territories and possessions of the United States,  
10 without regard to the limitations and restrictions of any other  
11 statute or ruling of the Federal Reserve Board, are authorized  
12 to make any loans guaranteed under the provisions of the  
13 Servicemen's Readjustment Act of 1944, as the same is now  
14 or may hereby be amended.

15 PURCHASE OR CONSTRUCTION OF HOMES

16 SEC. 502. (a) Any application made by a veteran  
17 under this title for a loan to be used in purchasing resi-  
18 dential property or in constructing a dwelling on un-  
19 improved property owned by him to be occupied as his home  
20 may be approved if the lender finds—

21 (1) that the proceeds of such loans will be used  
22 for payment for such property to be purchased or con-  
23 structed by the veteran;

24 (2) that the contemplated terms of payment re-  
25 quired in any mortgage to be given in part payment

1 of the purchase price or the construction cost bear a  
 2 proper relation to the veteran's present and anticipated  
 3 income and expense; and that the nature and condition  
 4 of the property is such as to be suitable for dwelling  
 5 purposes; and

6 (3) that the purchase price paid or to be paid  
 7 by the veteran for such property or the construction  
 8 cost, including the value of the unimproved lot, does  
 9 not exceed the reasonable value thereof as determined  
 10 by the lender's appraisal.

11 (b) Any application for a loan under this section for  
 12 the purpose of making repairs, alterations, or improvements  
 13 in, or paying delinquent indebtedness, taxes, or special assess-  
 14 ments on residential property owned by the veteran and used  
 15 by him as his home, may be approved by the lender if the  
 16 proceeds of such loan will be used for such purpose or  
 17 purposes.

18 (c) No first mortgage shall be ineligible for insurance  
 19 under the National Housing Act, as amended, by reason of  
 20 any loan guaranteed under this title, or by reason of any sec-  
 21 ondary lien upon the property involved securing such loan.

## 22 PURCHASE OF FARMS AND FARM EQUIPMENT

23 SEC. 503. Any application made under this title for the  
 24 guaranty of a loan to be used in purchasing any land, building,  
 25 livestock, equipment, machinery, or implements, or in re-

1 pairing, altering, or improving any buildings or equipment,  
 2 to be used in farming operations conducted by the applicant,  
 3 may be approved if the lender finds—

4       (1) that the proceeds of such loan will be used in  
 5 payment for real or personal property purchased or to  
 6 be purchased by the veteran, or for repairing, altering, or  
 7 improving any buildings or equipment, to be used in bona  
 8 fide farming operations conducted by him;

9       (2) that such property will be useful in and reason-  
 10 ably necessary for efficiently conducting such operations;

11       (3) that the ability and experience of the veteran,  
 12 and nature of the proposed farming operations to be con-  
 13 ducted by him, are such that there is a reasonable likeli-  
 14 hood that such operations will be successful; and

15       (4) that the purchase price paid or to be paid by  
 16 the veteran for such property does not exceed the reason-  
 17 able value thereof as determined by the lender's appraisal.

#### 18 PURCHASE OF BUSINESS PROPERTY

19 SEC. 504. Any application made under this title for the  
 20 guaranty of a loan to be used in purchasing any business,  
 21 land, buildings, supplies, equipment, machinery, or tools, to  
 22 be used by the applicant in pursuing a gainful occupation  
 23 (other than farming) may be approved if the lender finds—

24       (1) that the proceeds of such loan will be used for



1        payment for real or personal property purchased or  
2        to be purchased by the veteran and used by him in  
3        the bona fide pursuit of such gainful occupation;

4        ~~(2)~~ that such property will be useful in and  
5        reasonably necessary for the efficient and successful  
6        pursuit of such occupation;

7        ~~(3)~~ that the ability and experience of the veteran;  
8        and the conditions under which he proposes to pursue  
9        such occupation, are such that there is a reasonable  
10       likelihood that he will be successful in the pursuit of  
11       such occupation; and

12       ~~(4)~~ that the purchase price paid or to be paid by  
13       the veteran for such property does not exceed the  
14       reasonable value thereof as determined by the lender's  
15       appraisal.

16       SEC. 505. In the event the veteran defaults in the pay-  
17       ment of his loan and after suit or foreclosure and sale the  
18       deficiency is determined, then upon notification from the  
19       lender, the Administrator of Veterans' Affairs shall pay  
20       to the lender its guaranty not in excess of \$2,000 and not  
21       in excess of the deficiency, and be subrogated to the rights  
22       of the lender to the extent of the amount paid on the  
23       guaranty: *Provided*, That prior to suit or foreclosure the  
24       lender shall notify the Administrator, and within thirty days  
25       thereafter the Administrator may, at his option, pay the

1 lender the unpaid balance of the loan plus accrued  
2 interest and receive an assignment of the loan and security  
3 and thereafter sue or foreclose in the name of the Veterans'  
4 Administration.

## 5 TITLE IV

### 6 CHAPTER VI—EMPLOYMENT OF VETERANS

7 SEC. 600. (a) In the enactment of the provisions of  
8 this title Congress declares as its intent and purpose that  
9 there shall be an effective job counseling and employment  
10 placement service for veterans, and that, to this end, policies  
11 shall be promulgated and administered, so as to provide for  
12 them the maximum of job opportunity in the field of gain-  
13 ful employment. For the purpose there is hereby created  
14 to cooperate with and assist the United States Employment  
15 Service, as established by the provisions of the Act of June  
16 6, 1933, a Veterans' Placement Service Board, which shall  
17 consist of the Administrator of Veterans' Affairs, as Chair-  
18 man, the Director of the National Selective Service System,  
19 and the Administrator of the Federal Security Agency, or  
20 whoever may have the responsibility of administering the  
21 functions of the United States Employment Service. The  
22 Board shall determine all matters of policy relating to the  
23 administration of the Veterans' Employment Service of the  
24 United States Employment Service.

25 (b) The Chairman of the Board shall have direct

1 authority and responsibility for carrying out its policies  
2 through the veterans' employment representatives in the  
3 several States or through persons engaged in activities au-  
4 thorized by subsection (g) of section 8 of the Selective  
5 Service Act of 1940 (Public Law 783, Seventy-sixth Con-  
6 gress, approved September 16, 1940, as amended (U. S.  
7 C., title 50, sec. 308)). The Chairman may delegate such  
8 authority to an executive secretary who shall be appointed  
9 by him and who shall thereupon be the Chief of the Veter-  
10 ans' Employment Service of the United States Employment  
11 Service.

12 (c) The public records of the Veterans' Personnel Divi-  
13 sion, National Selective Service System, and the Veterans'  
14 Employment Service of the United States Employment  
15 Service shall be available to the Board.

16 SEC. 601. The United States Employment Service shall  
17 assign to each of the States a veterans' employment repre-  
18 sentative, who shall be a veteran of the wars of the United  
19 States separated from active service under honorable condi-  
20 tions, who at the time of appointment shall have been a bona  
21 fide resident of the State for at least two years, and who shall  
22 be appointed, subject to the approval of the Board, in accord-  
23 ance with the civil-service laws, and whose compensation  
24 shall be fixed in accordance with the Classification Act of  
25 1923, as amended. Each such veterans' employment repre-



1   tentative shall be attached to the staff of the public employ-  
2   ment service in the State to which he has been assigned. He  
3   shall be administratively responsible to the Board, through  
4   its executive secretary, for the execution of the Board's vet-  
5   erans' placement policies through the public employment  
6   service in the State. In cooperation with the public employ-  
7   ment service staff in the State, he shall—

8           ~~(a)~~ be functionally responsible for the supervision  
9           of the registration of veterans in local employment offices  
10          for suitable types of employment and for placement of  
11          veterans in employment;

12          ~~(b)~~ assist in securing and maintaining current in-  
13          formation as to the various types of available employ-  
14          ment in public works and private industry or business;

15          ~~(c)~~ promote the interest of employers in employing  
16          veterans;

17          ~~(d)~~ maintain regular contact with employers and  
18          veterans' organizations with a view of keeping em-  
19          ployers advised of veterans available for employment  
20          and veterans advised of opportunities for employment;  
21          and

22          ~~(e)~~ assist in every possible way in improving work-  
23          ing conditions and the advancement of employment of  
24          veterans.

25          SEC. 602. Where deemed necessary by the Board, there

1 shall be assigned by the administrative head of the employ-  
2 ment service in the State one or more employees, preferably  
3 veterans, of the staffs of local employment service offices,  
4 whose services shall be primarily devoted to discharging  
5 the duties prescribed for the veterans' employment repre-  
6 sentative.

7       SEC. 603. All Federal agencies shall furnish the Board  
8 such records, statistics, or information as may be deemed  
9 necessary or appropriate in administering the provisions of  
10 this title, and shall otherwise cooperate with the Board in  
11 providing continuous employment opportunities for veterans.

12       SEC. 604. The Federal agency administering the United  
13 States Employment Service shall maintain that Service as an  
14 operating entity and, during the period of its administration,  
15 shall effectuate the provisions of this title.

16       SEC. 605. (a) The Board through its executive secre-  
17 tary shall estimate the funds necessary for the proper and  
18 efficient administration of this title; such estimated sums shall  
19 include the annual amounts necessary for salaries, rents,  
20 printing and binding, travel, and communications. Sums  
21 thus estimated shall be included as a special item in the  
22 annual budget of the United States Employment Service.  
23 Any funds appropriated pursuant to this special item as con-  
24 tained in the budget of the United States Employment Service  
25 shall not be available for any purpose other than that for

1 which they were appropriated, except with the approval of  
2 the Board.

3 ~~(b)~~ The War Manpower Commission shall from its  
4 current appropriation allocate and make available sufficient  
5 funds to carry out the provisions of this title during the  
6 current fiscal year.

7 SEC. 606. The term "United States Employment Serv-  
8 ice" as used in this title means that bureau created by the  
9 provisions of the Act of June 6, 1933, or such successor  
10 agencies as from time to time shall perform its functions and  
11 duties, as now performed by the War Manpower Commission.

12 SEC. 607. The term "veteran" as used in this title shall  
13 mean a person who served in the active service of the armed  
14 forces during a period of war in which the United States  
15 has been, or is, engaged, and who has been discharged or  
16 released therefrom under conditions other than dishonorable.

## 17 TITLE V

### 18 CHAPTER VII—READJUSTMENT ALLOWANCES FOR 19 FORMER MEMBERS OF THE ARMED FORCES WHO 20 ARE UNEMPLOYED

21 SEC. 700. (a) Any person who shall have served in  
22 the active military or naval service of the United States at  
23 any time after September 16, 1940, and prior to the ter-  
24 mination of the present war, and who shall have been  
25 discharged or released from active service under conditions



1 other than dishonorable, after active service of ninety days  
2 or more, or by reason of an injury or disability incurred in  
3 service in line of duty, shall be entitled, in accordance with  
4 the provisions of this title and regulations issued by the  
5 Administrator of Veterans' Affairs pursuant thereto, to re-  
6 ceive a readjustment allowance as provided herein for each  
7 week of unemployment, not to exceed a total of fifty-two  
8 weeks, which ~~(1)~~ begins after the first Sunday of the third  
9 calendar month after the date of enactment hereof, and  
10 ~~(2)~~ occurs not later than two years after discharge or re-  
11 lease or the termination of the war, whichever is the later  
12 date: *Provided*, That no such allowance shall be paid for  
13 any period for which he receives increased pension under  
14 part VII of Veterans Regulation 1 ~~(a)~~ or a subsistence  
15 allowance under part VIII of such regulation: *Provided*  
16 *further*, That no readjustment allowance shall be payable  
17 for any week commencing more than five years after the  
18 termination of hostilities in the present war.

19 ~~(b)~~ Such person shall be deemed eligible to receive  
20 an allowance for any week of unemployment if claim is  
21 made for such allowance and the Administrator finds with  
22 respect to such week that—

23 ~~(1)~~ the person is residing in the United States at  
24 the time of such claim;

1       ~~(2)~~ the person is completely unemployed, having  
 2       performed no service and received no wages, or is par-  
 3       tially unemployed in that services have been performed  
 4       for less than a full workweek and the wages for the week  
 5       are less than the allowance under this title plus \$3;

6       ~~(3)~~ the person is registered with and continues to  
 7       report to a public employment office, in accordance with  
 8       its regulations;

9       ~~(4)~~ the person is able to work and available for  
 10      suitable work: *Provided*, That no claimant shall be  
 11      considered ineligible in any period of continuous un-  
 12      employment for failure to comply with the provisions of  
 13      this subparagraph if such failure is due to an illness or  
 14      disability which occurs after the commencement of such  
 15      period.

## 16                   CHAPTER VIII—DISQUALIFICATIONS

17      SEC. 800. ~~(a)~~ Notwithstanding the provisions of setcion  
 18      700, a claimant shall be disqualified from receiving an al-  
 19      lowance if—

20           ~~(1)~~ he leaves suitable work voluntarily, without  
 21           good cause, or is suspended or discharged for misconduct  
 22           in the course of employment;

23           ~~(2)~~ he, without good cause, fails to apply for suit-  
 24      able work to which he has been referred by a public em-

1        ployment office, or to accept suitable work when offered  
2        him; or

3            ~~(3)~~ he, without good cause, does not attend an  
4        available free training course as required by regulations  
5        issued pursuant to the provisions of this title.

6        ~~(b)~~ Notwithstanding the provisions of section 700, a  
7        claimant shall also be disqualified from receiving an allow-  
8        ance for any week with respect to which it is found that his  
9        unemployment is due to a stoppage of work which exists  
10       because of a labor dispute at the factory, establishment, or  
11       other premises at which he is or was last employed: *Pro-*  
12       *vided,* That this subsection shall not apply if it is shown  
13       that—

14            ~~(1)~~ he is not participating in or directly interested  
15        in the labor dispute which causes the stoppage of work;  
16        and

17            ~~(2)~~ he does not belong to a grade or class of work-  
18        ers of which, immediately before the commencement  
19        of the stoppage there were members employed at the  
20        premises at which the stoppage occurs, any of whom are  
21        participating in or directly interested in the dispute:  
22        *Provided, however,* That if in any case separate branches  
23        of work, which are commonly conducted as separate  
24        business in separate premises, are conducted in separate  
25        departments of the same premises, each such department



shall, for the purposes of this subsection, be deemed to be a separate factory, establishment, or other premises.

(c) (1) If a claimant is disqualified under the provisions of subsection (a) of this section, he shall be disqualified to receive any readjustment allowance for the week in which the cause of his disqualification occurred and for not more than four immediately following weeks.

(2) In addition to the disqualification prescribed in paragraph (1) above, the Administrator may, in cases of successive disqualifications under the provisions of subsection (a) of this section, extend the period of disqualification for such additional period as the Administrator may prescribe, but not to exceed eight additional weeks in the case of any one disqualification.

(d) (1) In determining under subsection (a) of this section the suitability of work or the existence of good cause with respect to a claimant, the conditions and standards prescribed by the unemployment compensation laws of the State in which he files his claim shall govern: *Provided*, That the Administrator may prescribe conditions and standards for applicants in any State having no applicable statute.

(2) In determining under subsection (a) of this section the suitability of work, no work shall be deemed suitable for an individual if—

1           ~~(A)~~ the position offered is vacant due directly to  
2           a strike, lock-out, or other labor dispute; or

3           ~~(B)~~ the wages, hours, or other conditions of the  
4           work offered are substantially less favorable to him  
5           than those prevailing for similar work in the locality.

## 6 CHAPTER IX—AMOUNT OF ALLOWANCE AND PAYMENT

7           SEC. 900. ~~(a)~~ The allowance for a week shall be \$20  
8           less that part of the wages payable to him for such week  
9           which is in excess of \$3: *Provided*, That where the allow-  
10          ance is not a multiple of \$1, it shall be computed to the  
11          next highest multiple of \$1.

12          ~~(b)~~ The number of weeks of allowances to which each  
13          eligible veteran shall be entitled shall be determined as  
14          follows: For each calendar month or major fraction thereof  
15          of active service during the period stated in section 700  
16          the veteran shall be entitled to four weeks of allowances,  
17          but in no event to exceed the maximum provided in section  
18          700: *Provided*, That the allowance for the qualifying ninety  
19          days service shall be eight weeks for each such month.

20          SEC 901. ~~(a)~~ Readjustment allowances shall be paid  
21          at the intervals prescribed by the unemployment compen-  
22          sation law of the State in which the claim was made: *Pro-*  
23          *vided*, That if none are so prescribed readjustment allow-  
24          ances shall be paid at such reasonable intervals as may be  
25          determined by the Administrator.

1       ~~(b)~~ Any allowances remaining unpaid upon the death  
2 of a claimant shall not be considered a part of the assets of  
3 the estate of the claimant, or liable for the payment of his  
4 debts, or subject to any administration of his estate, and the  
5 Administrator may make payment thereof to such person  
6 or persons he finds most equitably entitled thereto.

7       SEC. 902. ~~(a)~~ Any person qualified under subsection  
8 ~~(a)~~ of section 700, and residing in the United States who is  
9 self-employed for profit in an independent establishment,  
10 trade, business, profession, or other vocation shall be eligible  
11 for readjustment allowances under this title within the time  
12 periods applicable, and not in excess of the total amount  
13 provided in this title.

14       ~~(b)~~ Upon application by the veteran showing, in  
15 accordance with rules prescribed by the Administrator, that  
16 he has been fully engaged in such self-employment and that  
17 his net earnings in a trade, business, profession, or vocation,  
18 have been less than \$100 in the previous calendar month,  
19 the veteran shall be entitled to receive, subject to the limita-  
20 tions of this title as to time and amount, the difference ~~(ad-~~  
21 ~~justed to the next highest multiple of \$1),~~ between \$100  
22 and his net earnings for such month.

23       ~~(c)~~ Payment of such allowance shall be made by the  
24 Administrator to each eligible veteran at the time and in



1 the manner other payments are made directly to veterans  
2 by the Administrator.

3 ~~(d)~~ Subsection ~~(b)~~ of section 700 and section 800 shall  
4 not apply in determining the eligibility for allowances of a  
5 claimant under this section.

## 6 CHAPTER X.—ADJUSTMENT OF DUPLICATE BENEFITS

7 SEC. 1000. Where an allowance is payable to a claim-  
8 ant under this title and where, for the same period, either  
9 an allowance or benefit is received under any Federal or  
10 State unemployment or disability compensation law, the  
11 amount received or accrued from such other source shall be  
12 subtracted from the allowance payable under this title ~~(ex-~~  
13 ~~cept that this section shall not apply to pension, compensa-~~  
14 ~~tion, or retired pay paid by the Veterans' Administration);~~  
15 and the resulting allowances, if not a multiple of \$1, shall  
16 be readjusted to the next higher multiple of \$1.

## 17 CHAPTER XI—ADMINISTRATION

18 SEC. 1100. ~~(a)~~ The Administrator of Veterans' Affairs  
19 is authorized to administer this title and shall, insofar as  
20 possible, utilize existing facilities and services of Federal  
21 and State departments or agencies on the basis of mutual  
22 agreements with such departments or agencies. Such agree-  
23 ments shall provide for the filing of claims for readjustment  
24 allowances with the Administrator through established pub-  
25 lic employment offices and State unemployment compen-

1 sation agencies. Such agencies, through agreement, shall  
2 also be utilized in the processing, adjustment, and deter-  
3 mination of such claims and the payment of such allowances.  
4 To facilitate the carrying out of agreements with State de-  
5 partments or agencies and to assist in the discharge of the  
6 Administrator's duties under this title, a representative of  
7 the Administrator, who shall be a war veteran separated  
8 from active service under honorable conditions and who at  
9 the time of appointment shall have been a bona fide resident  
10 of the State for at least two years, shall be located in each  
11 participating State department or agency.

12 (b) The Administrator, consistent with the provisions of  
13 this title, shall prescribe such rules and regulations and re-  
14 quire such records and reports as he may find necessary to  
15 carry out its purposes: *Provided, however,* That cooperative  
16 rules and regulations relating to the performance by Federal  
17 or State departments, or agencies, of functions under agree-  
18 ments made therewith may be made by the Administrator  
19 after consultation and advisement with representatives of  
20 such departments or agencies.

21 (c) The Administrator may delegate to any officer or  
22 employee of his own or of any cooperating department or  
23 agency of any State such of his powers and duties, except  
24 that of prescribing rules and regulations, as the Admin-

1    istrator may consider necessary and proper to carry out the  
2    purposes of this title.

3       ~~(d)~~ Allowances paid by the cooperating State agencies  
4    shall be repaid upon certification by the Administrator. The  
5    Secretary of the Treasury, through the Division of Disburse-  
6    ment of the Treasury, and without the necessity of audit and  
7    settlement by the General Accounting Office, shall pay  
8    monthly to the departments, agencies, or individuals desig-  
9    nated, the amounts so certified.

10       ~~(e)~~ The Administrator shall from time to time certify  
11    to the Secretary of the Treasury for payment in advance  
12    or otherwise such sums as he estimates to be necessary to  
13    compensate any Federal department or agency for its ad-  
14    ministrative expenses under this title. Such sums shall  
15    cover periods of no longer than six months.

16       ~~(f)~~ The Administrator shall also from time to time  
17    certify to the Social Security Board such State departments  
18    or agencies as may be participating in the administration of  
19    this title, and the amount of the administrative expense in-  
20    curred or to be incurred by a State under agreements made  
21    pursuant to this section. Upon such certification the Social  
22    Security Board shall certify such amount to the Secretary  
23    of the Treasury, in addition to the amount, if any, payable  
24    by said Board under the provisions of section 302 ~~(a)~~ of  
25    the Social Security Act, as amended, and the additional



1 amount so certified shall be paid to each State by the Sec-  
2 retary of the Treasury out of the appropriation for the  
3 Veterans' Administration.

4 ~~(g)~~ Any money paid to any cooperating agency or  
5 person, which is not used for the purpose for which it was  
6 paid shall, upon termination of the period covered by such  
7 payment or the agreement with such agency or person, be  
8 returned to the Treasury and credited to the current appro-  
9 priation for carrying out the purpose of this title, or, if  
10 returned after the expiration of period covered by this title,  
11 shall be covered into the Treasury as miscellaneous receipts.

12 SEC. 1101. ~~(a)~~ No person designated by the Adminis-  
13 trator as a certifying officer shall, in the absence of gross  
14 negligence, or intent to defraud the United States, be liable  
15 with respect to the payment of any allowance certified by  
16 him under this title.

17 ~~(b)~~ No disbursing officer shall, in the absence of gross  
18 negligence, or intent to defraud the United States, be liable  
19 with respect to any payment by him under this title if it  
20 was based upon a voucher signed by a certifying officer  
21 designated by the Administrator.

22 SEC. 1102. Any claimant whose claim for an allowance  
23 has been denied shall be entitled to a fair hearing before  
24 an impartial tribunal of the State agency or such other  
25 agency as may be designated by the Administrator. The

1 representative of the Administrator located in each State  
2 shall be the final appellate authority in regard to contested  
3 claims arising in such State, subject to review by the  
4 Administrator.

5       SEC. 1103. In the case of any veteran eligible under  
6 the provisions of this title who either at the time of applica-  
7 tion for the benefits herein provided is a "qualified employee"  
8 as defined in section 3 of the Railroad Unemployment In-  
9 surance Act, as amended, or was last employed prior to such  
10 application by an employer as defined in section 1 (a) of  
11 the said Act, claim may be made through an office operated  
12 by or a facility designated as a free employment office by  
13 the Railroad Retirement Board pursuant to the provisions  
14 of said Act. In such cases, the conditions and standards as  
15 to suitability of work or existence of good cause, the inter-  
16 vals for making claim for and payment of benefits, and the  
17 administrative and appellate procedures prescribed by or  
18 under said Act shall govern, if not in conflict with the pro-  
19 visions of this title, the appellate procedures being subject  
20 to final appeal to the Administrator. In such cases, a ref-  
21 erence in this title to a cooperating State agency shall be  
22 deemed to include the Railroad Retirement Board.

## 23       CHAPTER XII—DECISIONS AND PROCEDURES

24       SEC. 1200. The authority to issue subpoenas and pro-  
25 visions for invoking aid of the courts of the United States

1 in case of disobedience thereto, to make investigations, and  
2 to administer oaths, as contained in title III of the Act  
3 of June 29, 1936 (49 Stat. 2033-34; U. S. C., title 38,  
4 secs. 131-133), shall be applicable in the administration of  
5 this title.

#### 6 CHAPTER XIII—PENALTIES

7 SEC. 1300. Any claimant who knowingly accepts an  
8 allowance to which he is not entitled shall be ineligible to  
9 receive any further allowance under this title.

10 SEC. 1301. (a) Whoever, for the purpose of causing  
11 an increase in any allowance authorized under this title, or  
12 for the purpose of causing any allowance to be paid where  
13 none is authorized under this title, shall make or cause to be  
14 made any false statement or representation as to any wages  
15 paid or received, or whoever makes or causes to be made  
16 any false statement of a material fact in any claim for any  
17 allowance under this title, or whoever makes or causes to  
18 be made any false statement, representation, affidavit, or  
19 document in connection with such claim, shall be guilty of  
20 a misdemeanor and upon conviction thereof shall be fined  
21 not more than \$1,000 or imprisoned for not more than one  
22 year, or both.

23 (b) Whoever shall obtain or receive any money, check,  
24 or allowance under this title, without being entitled thereto  
25 and with intent to defraud the United States, shall be pun-



1 ished by a fine of not more than \$1,000 or by imprison-  
2 ment for not more than one year, or both.

3 CHAPTER XIV—DEFINITIONS

4 SEC. 1400. As used in this title—

5 (a) The term “week” means such period or periods of  
6 seven consecutive calendar days as may be prescribed in  
7 regulations by the Administrator.

8 (b) The term “wages” means all remuneration for  
9 services from whatever sources, including commissions and  
10 bonuses and the cash value of all remuneration in any  
11 medium other than cash.

12 TITLE VI

13 CHAPTER XV.—GENERAL ADMINISTRATIVE AND PENAL  
14 PROVISIONS

15 SEC. 1500. Except as otherwise provided in this Act,  
16 the administrative, definitive, and penal provisions under  
17 Public, Numbered 2, Seventy-third Congress, as amended,  
18 and the provisions of Public, Numbered 262, Seventy-fourth  
19 Congress, as amended (38 U. S. C. 450, 451, 454a, and  
20 556a), shall be for application under this Act. For the  
21 purpose of carrying out any of the provisions of Public,  
22 Numbered 2, as amended, and this Act, the Administrator  
23 shall have authority to accept uncompensated services, and  
24 to enter into contracts or agreements with private or public

1 agencies, or persons, for necessary services, including personal  
2 services, as he may deem practicable.

3 SEC. 1501. Except as otherwise specified, the appro-  
4 priations for the Veterans' Administration are hereby made  
5 available for expenditures necessary to carry out the pro-  
6 visions of this Act and there is hereby authorized to be ap-  
7 propriated such additional amounts as may be necessary to  
8 accomplish the purposes of this Act.

9 SEC. 1502. Wherever used in this Act, unless the con-  
10 text otherwise requires, the singular includes the plural; the  
11 masculine includes the feminine; the term "Administrator"  
12 means the Administrator of Veterans' Affairs; the term  
13 "United States" used geographically means the several  
14 States, Territories and possessions, and the District of Co-  
15 lumbia; the term "State" means the several States, Terri-  
16 tories and possessions, and the District of Columbia; and the  
17 phrases "termination of hostilities in the present war", "ter-  
18 mination of the present war", and "termination of the war",  
19 mean termination of the war as declared by Presidential  
20 proclamation or concurrent resolution of the Congress.

21 SEC. 1503. A discharge or release from active service  
22 under conditions other than dishonorable shall be a prerequi-  
23 site to entitlement to veterans' benefits provided by this Act  
24 or Public Law Numbered 2, Seventy-third Congress, as  
25 amended.

1        SEC. 1504. The Administrator shall transmit to the Con-  
2    gress annually a report of operations under this Act. If the  
3    Senate or the House of Representatives is not in session, such  
4    reports shall be transmitted to the Secretary of the Senate  
5    or the Clerk of the House of Representatives, as the case  
6    may be.

7        SEC. 1505. In the event there shall hereafter be author-  
8    ized any allowance in the nature of adjusted compensation,  
9    any benefits received by, or paid for, any veteran under this  
10   Act shall be charged against and deducted from such ad-  
11   justed compensation; and in the event a veteran has obtained  
12   a loan under the terms of this Act, the agency disbursing  
13   such adjusted compensation shall first pay the unpaid bal-  
14   ance and accrued interest due on such loan to the holder of  
15   the evidence of such indebtedness to the extent that the  
16   amount of adjusted compensation which may be payable  
17   will permit.

18       SEC. 1506. (a) Before any proposed regulation or  
19   order to carry out the purposes of this Act shall be issued  
20   by any governmental agency exercising authority conferred  
21   hereunder, other than intraagency administrative rules or  
22   orders governing the conduct of its activities or inter-  
23   agency rules governing relations with other agencies of the  
24   Government, a draft thereof shall be submitted to the Com-  
25   mittee on Finance of the Senate of the United States and to



1 the Committee on World War Veterans' Legislation of the  
2 House of Representatives for study, to consider whether such  
3 rule or regulation is made in conformity with the spirit,  
4 letter, intent, and purpose of this Act, and that no unusual  
5 or unexpected use of powers herein granted is proposed.  
6 Such regulation or order may be approved or disapproved  
7 by the Committee on Finance of the Senate or by the  
8 Committee on World War Veterans' Legislation of the  
9 House of Representatives, or a duly authorized subcom-  
10 mittee of either. In the absence of action by either com-  
11 mittee approving or disapproving such regulation or order,  
12 it may go into effect not earlier than the fifteenth day  
13 following, but not including the date of the receipt of  
14 the draft of such proposed regulation or order by chairmen  
15 of such committees. If sooner approved by either com-  
16 mittee it may go into effect immediately upon such approval.  
17 Disapproval of such regulation or order by either committee  
18 shall suspend its issuance: *Provided*, That in the event of  
19 conflicting committee actions the earlier action shall govern.

20 (b) For the purposes of this section the Committee  
21 on Finance of the Senate and the Committee on World War  
22 Veterans' Legislation of the House of Representatives, or  
23 any duly authorized subcommittees thereof, are authorized to  
24 sit and act during the sessions, recesses, and adjourned  
25 periods of the Congress.

1       ~~(c)~~ This section shall be effective from the date of its  
2   approval.

3   *That the second sentence of section 100 of the Servicemen's*  
4   *Readjustment Act of 1944, as amended, is amended to read*  
5   *as follows: "The Administrator is authorized, for the pur-*  
6   *pose of extending benefits to veterans and dependents, and to*  
7   *the extent he deems necessary, to procure the necessary space*  
8   *for administrative, clinical, medical, and out-patient treat-*  
9   *ment purposes by lease, purchase, or construction of buildings,*  
10   *or by condemnation or declaration of taking, pursuant to*  
11   *existing statutes."*

12       *SEC. 2. Section 200 of the Servicemen's Readjustment*  
13   *Act of 1944, as amended, is amended by adding at the end*  
14   *thereof the following new subsection:*

15       *"(c) The Administrator of Veterans' Affairs is further*  
16   *authorized at his discretion and under such regulations as*  
17   *he may prescribe to furnish necessary space, suitable office*  
18   *facilities and stenographic assistance for the use of paid*  
19   *full-time representatives of such organizations, with reim-*  
20   *bursement on an actual cost basis."*

21       *SEC. 3. Section 302 (a) of the Servicemen's Read-*  
22   *justment Act of 1944, as amended, is amended to read as*  
23   *follows:*

24       *"SEC. 302. (a) The Secretary of War, the Secretary*  
25   *of the Navy, and the Secretary of the Treasury are author-*

1 ized and directed to establish, from time to time, boards of  
2 review composed of five commissioned officers, two of whom  
3 shall be selected from the Medical Corps of the Army or  
4 Navy, or from the Public Health Service, as the case may be.  
5 It shall be the duty of any such board to review, at the re-  
6 quest of any officer retired or released from active service,  
7 without pay, for physical disability pursuant to the decision  
8 of a retiring board, board of medical survey, or disposition  
9 board, the findings and decisions of such board. Such re-  
10 view shall be based upon all available service records relating  
11 to the officer requesting such review, and such other evi-  
12 dence as may be presented by such officer. Witnesses shall  
13 be permitted to present testimony either in person or by  
14 affidavit, and the officer requesting review shall be allowed  
15 to appear before such board of review in person or by  
16 counsel. In carrying out its duties under this section such  
17 board of review shall have the same powers as exercised by,  
18 or vested in, the board whose findings and decision are be-  
19 ing viewed. The proceedings and decision of each such  
20 board of review affirming or reversing the decision of  
21 any such retiring board, board of medical survey, or  
22 disposition board shall be transmitted to the Secretary  
23 of War, the Secretary of the Navy, or the Secretary of the  
24 Treasury, as the case may be, and shall be laid by him



1 *before the President for his approval or disapproval and*  
2 *orders in the case.”*

3       *SEC. 4. (a) Paragraph 1 of part VIII of Veterans*  
4 *Regulation Numbered 1 (a), as amended, is amended to*  
5 *read as follows:*

6       *“1. Any person who served in the active military or*  
7 *naval service on or after September 16, 1940, and prior to*  
8 *the termination of the present war, and who shall have been*  
9 *discharged or released therefrom under conditions other than*  
10 *dishonorable, and who either shall have served ninety days*  
11 *or more, exclusive of any period he was assigned for a*  
12 *course of education or training under the Army specialized*  
13 *training program or the Navy college training program,*  
14 *which course was a continuation of his civilian course and*  
15 *was pursued to completion, or as a cadet or midshipman at*  
16 *one of the service academies, or shall have been discharged*  
17 *or released from active service by reason of an actual service-*  
18 *incurred injury or disability, shall be eligible for and entitled*  
19 *to receive education or training under this part: Provided,*  
20 *That such course shall be initiated not later than four*  
21 *years after either the date of his discharge or the termination*  
22 *of the present war, whichever is the later: Provided further,*  
23 *That no such education or training shall be afforded be-*  
24 *yond nine years after the termination of the present war.”*

1        *(b) Paragraph 2 of part VIII of such Regulation is*  
2        *amended to read as follows:*

3        *“2. Any such eligible person shall be entitled to educa-*  
4        *tion or training at an approved educational or training insti-*  
5        *tution for a period of one year plus the time such person*  
6        *was in the active service on or after September 16, 1940, and*  
7        *before the termination of the war, exclusive of any period he*  
8        *was assigned for a course of education or training under the*  
9        *Army specialized training program or the Navy college*  
10       *training program, which course was a continuation of his*  
11       *civilian course and was pursued to completion, or as a cadet*  
12       *or midshipman at one of the service academies, but in no*  
13       *event shall the total period of education or training exceed*  
14       *four years: Provided, That his work continues to be satis-*  
15       *factory throughout the period, according to the regularly*  
16       *prescribed standards and practices of the institution: Pro-*  
17       *vided further, That wherever the period of eligibility ends*  
18       *during a quarter or semester and after a major part of*  
19       *such quarter or semester has expired, such period shall be*  
20       *extended to the termination of such unexpired quarter or*  
21       *semester.”*

22       *(c) Paragraph 3 of part VIII of such Regulation is*  
23       *amended to read as follows:*

24       *“3. (a) Such person shall be eligible for and entitled to*

1 such course of education or training, full time or the equiva-  
2 lent thereof in part-time training, as he may elect, and at any  
3 approved educational or training institution at which he  
4 chooses to enroll, whether or not located in the State in which  
5 he resides, which will accept or retain him as a student or  
6 trainee in any field or branch of knowledge which such insti-  
7 tution finds him qualified to undertake or pursue: Provided,  
8 That, for reasons satisfactory to the Administrator, he may  
9 change a course of instruction: And provided further, That  
10 any such course of education or training may be discontinued  
11 at any time, if it is found by the Administrator that, according  
12 to the regularly prescribed standards and practices of the  
13 institution, the conduct or progress of such person is unsatis-  
14 factory.

15 “(b) Any such eligible person may apply for a short,  
16 intensive postgraduate, or training course of less than thirty  
17 weeks: Provided, That the Administrator shall have the  
18 authority to contract with approved institutions for such  
19 courses if he finds that the agreed cost of such courses is rea-  
20 sonable and fair: Provided further, That the limitation of  
21 paragraph 5 shall not prevent the payment of such agreed  
22 rates, but there shall be charged against the veteran’s period  
23 of eligibility the proportion of an ordinary school year which  
24 the cost of the course bears to \$500.

25 “(c) Any such eligible person may apply for a course



1 of instruction by correspondence without any maintenance  
2 allowance: Provided, That the Administrator shall have  
3 authority to contract with approved institutions for such  
4 courses if he finds that the agreed cost of such courses is rea-  
5 sonable and fair: Provided further, (1) That the provisions  
6 of paragraph 5 shall not apply to correspondence courses;  
7 (2) that one-fourth of the elapsed time in following such  
8 course shall be charged against the veteran's period of eligi-  
9 bility; and (3) that the total amount payable for a corre-  
10 spondence course or courses for any veteran shall not exceed  
11 \$500: And provided further, That nothing herein shall be  
12 construed to preclude the use of approved correspondence  
13 courses as a part of institutional or job training, subject to  
14 regulations prescribed by the Administrator."

15 (d) Paragraph 5 of part VIII of such Regulation is  
16 amended to read as follows:

17 "5. The Administrator shall pay to the educational or  
18 training institution, for each person enrolled in full time  
19 or part time course of education or training, the customary  
20 cost of tuition, and such laboratory, library, health, in-  
21 firmity, and other similar fees as are customarily charged,  
22 and may pay for books, supplies, equipment, and other  
23 necessary expenses, exclusive of board, lodging, other liv-  
24 ing expenses, and travel, as are generally required for the  
25 successful pursuit and completion of the course by other

1 students in the institution: Provided, That in no event  
2 shall such payments, with respect to any person, exceed  
3 \$500 for an ordinary school year: Provided further, That  
4 no payments shall be made to institutions, business or other  
5 establishments furnishing apprentice training on the job:  
6 And provided further, That any institution may apply to  
7 the Administrator for an adjustment of fees and the Ad-  
8 ministrator, if he finds that the customary charges are  
9 insufficient to permit the institution to furnish education or  
10 training to eligible veterans, or inadequate compensation  
11 therefor, may provide by agreement for the payment of such  
12 fair and reasonable compensation as will not exceed the  
13 actual cost of teaching personnel and supplies for instruc-  
14 tion, and not exceeding \$500 for an ordinary school year,  
15 inclusive of all charges and supplies; and may in like  
16 manner readjust such payments from time to time in consid-  
17 eration of increased or decreased enrollment and available  
18 contributions to meet such costs, whether from public or  
19 private funds.”

20 (e) Effective on the first day of the first calendar month  
21 subsequent to the date of enactment of this Act, the first  
22 sentence of paragraph 6 of part VIII of such Regulation  
23 is amended to read as follows:

24 “6. While enrolled in and pursuing a course under  
25 this part, such person, upon application to the Administrator,

1 shall be paid a subsistence allowance of \$65 per month,  
2 if without a dependent or dependents, or \$90 per month,  
3 if he has a dependent or dependents, including regular holi-  
4 days and leave not exceeding thirty days in a calendar year.”

5 (f) Paragraph 7 of part VIII of such Regulation is  
6 amended to read as follows:

7 “7. Any such person eligible for the benefits of this  
8 part, who is also eligible for the benefit of part VII, may  
9 elect either benefit or may be provided an approved combina-  
10 tion of such courses: Provided, That the total period of any  
11 such combined courses shall not exceed the maximum period  
12 or limitations under the part affording the greater period of  
13 eligibility.”

14 SEC. 5. Section 4 of Public Law Numbered 16,  
15 Seventy-eighth Congress, as added by section 402 of the  
16 Servicemen’s Readjustment Act of 1944, is amended by  
17 striking out the period at the end thereof and inserting in  
18 lieu thereof a colon and the following: “Provided further,  
19 That returned books, supplies, or equipment may be turned  
20 in to educational or training institutions for credit under  
21 such terms as may be approved by the Administrator, or  
22 disposed of in such other manner as may be approved by  
23 the Administrator.”

24 SEC. 6. (a) The proviso in paragraph 1 of part VII  
25 of Veterans Regulation Numbered 1 (a), as amended, is



1 amended to read as follows: "Provided, That no course  
2 of training in excess of a period of four years shall be ap-  
3 proved except with the approval of the Administrator, nor  
4 shall any training under this part be afforded beyond nine  
5 years after the termination of the present war."

6 (b) Effective on the first day of the first calendar month  
7 subsequent to the date of enactment of this Act, paragraph 3  
8 of part VII of Veterans Regulation Numbered 1 (a), as  
9 amended, is amended to read as follows:

10 "3. While pursuing training prescribed herein and for  
11 two months after his employability is determined, each veteran  
12 shall be paid the amount of subsistence allowance specified in  
13 paragraph 6 of part VIII of Veterans Regulation Numbered  
14 1 (a), as amended: Provided, That the minimum payment  
15 of such allowance, plus any pension or other benefit, shall be,  
16 for a person without a dependent, \$105 per month; and for  
17 a person with a dependent, \$115, plus the following amounts  
18 for additional dependents: (1) \$10 for one child and \$7  
19 additional for each additional child, and (2) \$15 for a de-  
20 pendent parent: Provided further, That the rates set out  
21 herein shall not be subject to the increases authorized by Pub-  
22 lic Law Numbered 312, Seventy-eighth Congress, approved  
23 May 27, 1944: And provided further, That when the course  
24 of vocational rehabilitation furnished to any person as herein  
25 provided consists of training on the job by an employer, such

1 employer shall be required to submit monthly to the Admin-  
2 istrator a statement in writing showing any wage, compen-  
3 sation, or other income paid by him to such person during the  
4 month, directly or indirectly, and based upon such written  
5 statements, the Administrator is authorized to reduce the  
6 maintenance allowance of such person to an amount consid-  
7 ered equitable and just.”

8       SEC. 7. The second sentence of section 500 (a) of the  
9 Servicemen’s Readjustment Act of 1944, as amended, is  
10 amended to read as follows: “Any such veteran may apply  
11 within ten years after the termination of the war, to the Ad-  
12 ministrator of Veterans’ Affairs for the guaranty by the Ad-  
13 ministrator of not to exceed 50 per centum of a loan or loans  
14 for any of the purposes specified in sections 501, 502 and  
15 503: Provided, That the aggregate amount guaranteed shall  
16 not exceed \$2,000.”

17       SEC. 8. The first sentence of section 500 (b) of the  
18 Servicemen’s Readjustment Act of 1944, as amended, is  
19 amended to read as follows: An amount equivalent to 4 per  
20 centum on the amount originally guaranteed shall be paid  
21 to the lender by the Administrator out of available appro-  
22 priations for credit upon the loan at the time the loan is  
23 closed.”

24       (b) Section 500 (c) of such Act as amended, is amended  
25 to read as follows:

1       “(c) Loans guaranteed by the Administrator under  
2 this title shall be payable under such terms and conditions  
3 as may be approved by the Administrator: Provided, That  
4 the liability under the guaranty, within the limitations of  
5 this title, shall decrease or increase pro rata with any de-  
6 crease or increase of the amount of the unpaid portion of  
7 the obligation: Provided further, That loans guaranteed by  
8 the Administrator shall bear interest at a rate not exceeding  
9 4 per centum per annum and shall be payable in full in  
10 not more than twenty-five years, or in the case of loans on  
11 farm realty, in not more than forty years. The Adminis-  
12 trator is authorized and directed to guarantee loans to veter-  
13 ans subject to the provisions of this title on approved  
14 applications made to persons, firms, associations, and cor-  
15 porations and to governmental agencies and corporations,  
16 either State or Federal. Any loan at least 20 per centum of  
17 which is guaranteed by the Administrator under this title  
18 may be made by any national bank, or Federal savings and  
19 loan association; or by any bank, trust company, building  
20 and loan association, or insurance company, organized or  
21 authorized to do business in the District of Columbia; with-  
22 out regard to the limitations and restrictions of any other  
23 statute or regulation with respect to: (1) ratio of amount  
24 of loan to value of the property, (2) maturity of loan,



1 (3) requirement for mortgage or other security, or (4)—if  
 2 guaranteed in full—dignity of liens.”

3       *Sec. 9. Section 501 (a) of the Servicemen’s Readjust*  
 4 *ment Act of 1944, as amended, is amended by striking out*  
 5 *“on unimproved property owned by him”, and paragraph (3)*  
 6 *of such section is amended to read as follows:*

7           “(3) that the purchase price paid or to be paid  
 8 by the veteran for such property or the construction  
 9 cost does not exceed the reasonable value thereof as deter-  
 10 mined by proper appraisal.”

11       *SEC. 10. Section 501 (b) of the Servicemen’s Readjust-*  
 12 *ment Act of 1944, as amended, is amended to read as follows:*

13           “(b) Any application for the guaranty of a loan under  
 14 this section for the purpose of making repairs, alterations, or  
 15 improvements in residential property owned by the veteran  
 16 and used by him as his home, may be approved by the Ad-  
 17 ministrator if he finds that the proceeds of such loan will be  
 18 used for such purpose or purposes.”

19       *SEC. 11. Section 502 of the Servicemen’s Readjustment*  
 20 *Act of 1944, as amended, is amended to read as follows:*

21           “SEC. 502. Any application to be made under this title  
 22 for the guaranty of a loan to be used in purchasing any land,  
 23 buildings, livestock, equipment, machinery, supplies, or im-  
 24 plements, or in repairing, altering, constructing or improv-

1    *ing any land, equipment, or buildings, including the farm-*  
2    *house, to be used in farming operations conducted by the*  
3    *applicant involving production in excess of his own needs or*  
4    *for working capital requirements necessary for such opera-*  
5    *tions, or to purchase stock in a cooperative association where*  
6    *the purchase of such stock is required by Federal statute as*  
7    *an incident to obtaining a loan on which a guaranty is sought,*  
8    *may be approved by the Administrator of Veterans' Affairs*  
9    *if he finds—*

10            *“(1) that the proceeds of such loan will be used*  
11            *for any such purposes in connection with bona fide farm-*  
12            *ing operations conducted by the applicant;*

13            *“(2) that such property will be useful in and*  
14            *reasonably necessary for efficiently conducting such*  
15            *operations;*

16            *“(3) that the ability and experience of the vet-*  
17            *eran, and the nature of the proposed farming operations*  
18            *to be conducted by him, are such that there is a reason-*  
19            *able likelihood that such operations will be successful;*  
20            *and*

21            *“(4) that the purchase price paid or to be paid*  
22            *by the veteran for such property does not exceed the*  
23            *reasonable value thereof as determined by proper*  
24            *appraisal.”*

1        *SEC. 12. Section 503 of the Servicemen's Readjustment*  
2   *Act of 1944, as amended, is amended to read as follows:*

3        *"SEC. 503. Any application made under this title for*  
4   *the guaranty of a loan, the proceeds of which are to be used*  
5   *for the purpose of engaging in business or for the purpose*  
6   *of pursuing a gainful occupation, whether full time or part*  
7   *time, or for the cost of acquiring for such purpose land,*  
8   *buildings, supplies, equipment, machinery, tools, inventory,*  
9   *stock in trade, or for the cost of the construction, repair,*  
10   *alteration, or improvement of any realty or equipment used*  
11   *for such purpose, or to provide the funds needed for working*  
12   *capital, may be approved on a secured or unsecured basis*  
13   *by the Administrator of Veterans' Affairs if he finds—*

14        *"(1) that the proceeds of such loan will be used*  
15   *for any of such purposes in connection with bona fide*  
16   *pursuit of such business or gainful occupation by the*  
17   *applicant;*

18        *"(2) that such property will be useful in and rea-*  
19   *sonably necessary for the efficient and successful pursuit*  
20   *of such business or occupation;*

21        *"(3) that the ability and experience of the veteran,*  
22   *and the conditions under which he proposes to pursue*  
23   *such business or occupation, are such that there is a*  
24   *reasonable likelihood that he will be successful in the*  
25   *pursuit of such business or occupation; and*



1           “(4) that the purchase price paid or to be paid by  
2       the veteran for such property does not exceed the reason-  
3       able value thereof as determined by proper appraisal.”

4       SEC. 13. Section 505 (b) of the Servicemen's Read-  
5       justment Act of 1944, as amended, is amended to read as  
6       follows:

7       “(b) Any person who is a veteran eligible for the benefits  
8       of this title, as provided in section 500 hereof, and who is  
9       found by the Secretary of Agriculture, by reason of his  
10      ability and experience, including training as a vocational  
11      trainee, to be likely to carry out successfully undertakings  
12      required of him under a loan which may be made under  
13      the Bankhead-Jones Farm Tenant Act, shall be eligible  
14      for the benefits of such Act to the same extent as if he  
15      were a farm tenant.”

16      SEC. 14. Title III of the Servicemen's Readjustment  
17      Act of 1944, as amended, is amended by adding at the  
18      end thereof the following new sections:

19      “SEC. 506. The Administrator may approve the guar-  
20      anty of a loan the purpose of which is to refinance any indebt-  
21      edness of a veteran which is secured of record on property to  
22      be used or occupied by the veteran as a home or for farming  
23      purposes, or indebtedness incurred by him in the pursuit of a  
24      gainful occupation which he is pursuing or which he pro-  
25      poses in good faith to pursue, or any delinquent taxes or

1 assessments on such property or business, provided it is found  
2 that—

3 “(1) such default or delinquency occurred not later  
4 than ten years after the termination of the war, and

5 “(2) such refinancing will aid the veteran in his  
6 economic readjustment.

7 “SEC. 507. (a) With respect to matters arising by  
8 reason of this title as now or hereafter amended and, notwith-  
9 standing the provisions of any other law, the Administrator  
10 may—

11 “(1) sue and be sued in his official capacity in any  
12 court of competent jurisdiction, State or Federal;

13 “(2) subject to specific limitations in this Act, con-  
14 sent to the modification, with respect to rate of interest,  
15 time of payment of principal or interest or any portion  
16 thereof, security or other provisions of any note, contract,  
17 mortgage or any lien instrument, with respect to which a  
18 Loan Guaranty Certificate, or an Insurance Contract,  
19 has been issued;

20 “(3) pay, or compromise, any claim on, or arising  
21 because of, such Certificate or Contract;

22 “(4) pay, compromise, waive or release any right,  
23 title, claim, lien or demand, however acquired, including  
24 any equity or any right of redemption;

25 “(5) purchase at any sale, public or private, upon

1        *such terms and for such prices as he determines to be*  
2        *reasonable; and take title to property, real, personal*  
3        *or mixed; and similarly sell at public or private sale,*  
4        *exchange, assign, convey, or otherwise dispose of any*  
5        *such property; and*

6            *“(6) complete, administer, operate, obtain and pay*  
7        *for insurance on, and maintain, renovate, repair, mod-*  
8        *ernize, lease, or otherwise deal with any property*  
9        *acquired or held pursuant to this title; provided that*  
10       *the acquisition of any such property shall not deprive*  
11       *any State or political subdivision thereof of its civil or*  
12       *criminal jurisdiction of, on, or over such property (in-*  
13       *cluding power to tax) or impair the rights under the*  
14       *State or local law of any persons on such property.*

15       *“(b) The powers by this section granted may be*  
16       *exercised by the Administrator without regard to any other*  
17       *provisions of law not enacted expressly in limitation hereof,*  
18       *which otherwise would govern the expenditure of public*  
19       *funds: Provided, That section 3709 of the Revised Statutes*  
20       *shall apply to any contract for services or supplies on ac-*  
21       *count of any property acquired pursuant to this section if*  
22       *the amount of such contract exceeds \$1,000.*

23       *“(c) The financial transactions of the Administrator*  
24       *incident to, or arising out of the guaranty of loans pursuant*  
25       *to this title, and the acquisition, management, and disposition*



1 of property, real, personal, or mixed, as incident to such activi-  
2 ties and pursuant to this section, and vouchers approved by  
3 the Administrator in connection with such transactions, shall  
4 be final and conclusive upon all officers of the Government.

5 "SEC. 508. (a) Any loans which might be guaranteed  
6 under the provisions of section 503 hereof, when made or  
7 purchased by any financial institution subject to examination  
8 and supervision by an agency of the United States or of any  
9 State or Territory, including the District of Columbia, may,  
10 in lieu of such guaranty, be insured by the Administrator  
11 under an agreement whereby he will reimburse any such  
12 institution for losses incurred on such loans up to 15 per  
13 centum of the aggregate of loans so made or purchased by it.

14 "(b) Loans insured hereunder shall be made on such  
15 other terms, conditions, and restrictions as the Administrator  
16 may prescribe within the limitations set forth in this title. The  
17 Administrator may fix the maximum rate of interest payable  
18 on any class of non-real-estate loans insured hereunder at a  
19 figure not in excess of a 3 per centum discount rate or an  
20 equivalent straight interest rate on nonamortized loans.

21 "(c) The Administrator shall pay the same amount on  
22 each loan insured hereunder as he would be required to pay  
23 under the first sentence of section 500 (b) hereof if the loan  
24 were guaranteed rather than insured."

25 SEC. 15. Section 1505 of the Servicemen's Readjust-

1 *ment Act of 1944, as amended, is amended to read as*  
2 *follows:*

3       “*SEC. 1505. In the event there shall hereafter be*  
4 *authorized any allowance in the nature of adjusted compen-*  
5 *sation, any benefits received by, or paid for, any veteran*  
6 *under title III of this Act shall be charged against and*  
7 *deducted from such adjusted compensation; and in the event*  
8 *a veteran has obtained a loan under the terms of this Act,*  
9 *the agency disbursing such adjusted compensation shall*  
10 *first pay the unpaid balance and accrued interest due on*  
11 *such loan to the holder of the evidence of such indebtedness*  
12 *to the extent that the amount of adjusted compensation*  
13 *which may be payable will permit.”*

14       *SEC. 16. Title VI of the Servicemen’s Readjustment*  
15 *Act of 1944, as amended, is amended by adding at the*  
16 *end thereof the following new sections:*

17       “*SEC. 1506. Persons who served in the active military*  
18 *or naval service of any government allied with the United*  
19 *States in World War II and who at time of entrance into*  
20 *such active service were citizens of the United States shall,*  
21 *by virtue of such service, and if otherwise qualified, be en-*  
22 *titled to the benefits of titles II, III, IV, and V of this Act*  
23 *or of Public Law 16, Seventy-eighth Congress, in the same*  
24 *manner and to the same extent as persons who served in the*  
25 *active military or naval service of the United States: Pro-*

1 vided, That any such benefit shall not be extended to any  
 2 person who is not a resident of the United States at time of  
 3 filing claim or to any person who has applied for and received  
 4 the same or similar benefit from the government of the nation  
 5 in whose active military or naval service he served.

6 “SEC. 1507. Notwithstanding the provisions of section  
 7 1503, any person while on terminal leave, or while hospital-  
 8 ized pending final discharge, may be afforded the benefits  
 9 of titles II and III of this Act, or vocational rehabilitation  
 10 training under Public Law 16, Seventy-eighth Congress,  
 11 as amended, subject to all conditions thereof except actual dis-  
 12 charge: Provided, That no maintenance allowance shall be  
 13 paid in such cases under title II of this Act or Public Law  
 14 16, Seventy-eighth Congress. This section shall be effective  
 15 from June 22, 1944.”

Amend the title so as to read: “An Act to amend the  
 Servicemen’s Readjustment Act of 1944, and for other  
 purposes.”

Passed the House of Representatives July 18, 1945.

Attest: SOUTH TRIMBLE,  
 Clerk.

Passed the Senate with amendments November 8 (legis-  
 lative day, October 29), 1945.

Attest: LESLIE L. BIFFLE,  
 Secretary.



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## AN ACT

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To amend the Servicemen's Readjustment Act of 1944 to provide for a readjustment allowance for all veterans of World War II.

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IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 8, 1945

Ordered to be printed with the amendments of the  
Senate







Daily Issues of November 12 and November 13, 1945 (Nos. 199 and 200), Combined



United States  
of America

# Congressional Record

PROCEEDINGS AND DEBATES OF THE 79<sup>th</sup> CONGRESS, FIRST SESSION

Vol. 91

WASHINGTON, MONDAY, NOVEMBER 12, 1945

No. 199

## Senate

The Senate was not in session today. Its next meeting will be held on Tuesday, November 13, 1945, at 12 o'clock meridian.

## House of Representatives

MONDAY, NOVEMBER 12, 1945

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Eternal and everlasting Father who knowest the impulse of every human heart, we praise Thee for Thy daily blessings which are our richest portion. In those days when hopes were high and peace was cherished, we neglected all but self; we humbly beseech Thee to forgive our hesitation, our wavering wills, and our failures through the years of ease. In these times of great peril, when the world is still threatened with the stain of blood, hear us, lest in a dreading shadow of fear we may lose the glorious victory of peace, symbolized by the sacrifices of him who rests in yonder tomb and of those beneath countless crosses on the world's fields of conflict.

Gracious Lord, give Thy protecting grace and wisdom to our President that he may fulfill the exacting obligations of his high office. The tasks are hard and heavy on the hands of men in council, whose privilege it is to be pathfinders for peace. O give Thy benediction of contentment and comfort to our returning veterans, that they may look beyond every settling gloom and see the vision of faith and good will established among men. O sustain us all in our holy dreams until the souls of men find their rest and security in our Redeemer, arrayed in garments of peace. Amen.

### THE JOURNAL

The Journal of the proceedings of Thursday, November 8, 1945, was read and approved.

### MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Miller, one of his secretaries, who also informed the House that on the following dates

the President approved and signed bills of the House of the following titles:

On November 8, 1945:

H. R. 1857. An act for the relief of the legal guardian of Mona Mae Miller, a minor;

H. R. 3453. An act for the relief of John W. Farrell; and

H. R. 4309. An act to reduce taxation, and for other purposes. (Signed 5:17 p. m.)

On November 9, 1945:

H. R. 851. An act for the relief of Oscar R. Steinert;

H. R. 3256. An act to amend the Civil Service Retirement Act approved May 29, 1930, as amended, in order to protect the retirement rights of persons who leave the service to enter the armed forces of the United States; and

H. R. 1630. An act for the relief of Lubell Bros., Inc.

### MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 3749. An act to amend the Servicemen's Readjustment Act of 1944 to provide for a readjustment allowance for all veterans of World War II.

### JOINT MEETING OF HOUSES OF CONGRESS TO RECEIVE HON. CLEMENT R. ATTLEE

The SPEAKER. The Chair recognizes the gentleman from Georgia [Mr. RAMSPECK].

Mr. RAMSPECK. Mr. Speaker, it is my pleasure to announce that the Prime Minister of Great Britain, the Right Honorable Clement R. Attlee, will visit the Capitol on tomorrow and will be received by the Members of Congress at a joint meeting of the two Houses in the Chamber of the House of Representatives at 12:30 p. m.

I therefore ask unanimous consent that it may be in order at any time on

tomorrow for the Speaker to declare a recess, such recess to be subject to the call of the Chair.

Mr. RANKIN. Mr. Speaker, reserving the right to object, and, of course, I shall not object, about what time of the afternoon will this occur?

Mr. RAMSPECK. At 12:30 p. m.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

### PUBLIC HEARINGS, JOINT COMMITTEE ON INVESTIGATION OF PEARL HARBOR ATTACK

Mr. COOPER. Mr. Speaker, I ask unanimous consent to proceed for 1 minute to make an announcement and present a unanimous-consent request.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. COOPER. Mr. Speaker, the Joint Congressional Committee on the Investigation of the Pearl Harbor Attack has agreed to begin public hearings in the Senate caucus room on November 15, 1945, which will probably require several weeks, and it is contemplated that morning and afternoon sessions will be held.

I ask unanimous consent that Mr. COOPER, of Tennessee; Mr. CLARK, of North Carolina; Mr. MURPHY, of Pennsylvania; Mr. GEARHART, of California; and Mr. KEEFE, of Wisconsin, all members of this committee, during the period of the public hearings be granted leaves of absence from attending sessions of the House.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.



# READJUSTMENT ALLOWANCE FOR VETERANS OF WORLD WAR II

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 3749) an act to amend the Servicemen's Readjustment Act of 1944 to provide for a readjustment allowance for all veterans of World War II, with Senate amendments thereto, disagree to the Senate amendments, and ask for a conference.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi? [After a pause.] The Chair hears none and appoints the following conferees: Mr. RANKIN, Mr. ALLEN of Louisiana, Mr. DOMENGEAUX, Mrs. ROGERS of Massachusetts, and Mr. CUNNINGHAM.

## EXTENSION OF REMARKS

Mr. MAY asked and was given permission to extend his remarks in the RECORD and to include a report of the Review Committee on Deferments of Government Employees and a short message of the President of the United States.

## PERMISSION TO ADDRESS THE HOUSE

Mr. GIBSON. Mr. Speaker, I ask unanimous consent that after the disposition of business on the Speaker's desk and at the conclusion of special orders heretofore granted I may be permitted to address the House for 30 minutes today.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

## EXTENSION OF REMARKS

Mr. PRICE of Illinois asked and was given permission to extend his remarks and include therewith some remarks made by His Holiness Pope Pius XII.

Mr. GOSSETT asked and was given permission to extend his own remarks in the Appendix and to include an editorial from the New York Times.

## DISPOSITION OF SURPLUS WAR PROPERTY

Mr. EBERHARTER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. EBERHARTER. Mr. Speaker, it is not often that I publicly criticize an administrative agency of the Government, but it is now apparent not only to Members of Congress but to the people of the country that the administrative agency charged with the responsibility of the disposing of surplus war property has, up to this time, made a miserable failure. Whether this is because of indifference, incompetence, or something worse, I do not know. The plain fact is, however, that nobody is satisfied with the results so far obtained.

I am reliably told that there exists among the top personnel of the Surplus Property Administration a disinclination to follow the plain intent of Congress, particularly insofar as it applies to the priority rights of purchase of material by World War II veterans; also the

priority rights for sale or lease to health and educational institutions under section 13. States and local municipalities up to date have been given no priorities whatsoever; instead, special consideration has been given to the award of contracts to a few big business concerns. Cases can be cited where States and their subdivisions have been denied the right to bid.

Materials for disposal have been so lumped as to give junk dealers an advantage over State, city, and municipal purchasing agents.

I am also reliably informed that there is an immeasurable amount of surplus material which the owning agencies are just too disinterested to declare surplus, thereby permitting much of it to become rusted, waterlogged, weather-beaten, and wasted.

Congress cannot sit idly by and permit a continuance of such deplorable administration by an agency of the Government. It is our duty to protect the American public, and the hard-earned money of taxpayers bought these goods. I know it was not the intent of Congress that any firm or individual should be permitted to profit specially in the disposal of surplus war material.

I am thinking seriously of proposing that a special committee of the House make an investigation and quickly submit to the House a report with recommendations.

## COCONUT FATS AND SUGAR

Mr. GALLAGHER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. GALLAGHER. Mr. Speaker, the OPA has taken the ceiling off of coconut oils. There is a great deal of it in this country. What is the result? The result is a 400 percent increase in the price. The candy makers of this country are suffering and kicking about that condition. There is a shortage of sugar in the country today. I think it is about time that some of the sniping at the OPA should cease and we should cooperate with them to try to keep the prices down to some extent so that the people can pay for such commodities.

## PERMISSION TO ADDRESS THE HOUSE

Mr. STEWART. Mr. Speaker, I ask unanimous consent that at the conclusion of all other business on the calendar and any other special orders I may be permitted to address the House today for 20 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. REES of Kansas. Mr. Speaker, I ask unanimous consent that on Wednesday, following any other special orders heretofore entered, I may address the House for 20 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. DONDERO. Mr. Speaker, I ask unanimous consent that on tomorrow,

after the legislative program of the day and any other special orders, I may be permitted to address the House for 20 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

## EXTENSION OF REMARKS

Mr. DOYLE asked and was given permission to extend his remarks in the RECORD in three instances and include an editorial and a short letter.

Mr. BLOOM asked and was given permission to extend his remarks in the RECORD and include two editorials.

Mr. GRANT of Indiana asked and was given permission to extend his remarks in the RECORD and include an article by Lawrence Sullivan.

Mr. PITTENGER asked and was given permission to extend his remarks in the Appendix of the RECORD and include quotations and a newspaper item.

Mr. MUNDT asked and was given permission to extend his remarks in the Appendix of the RECORD and include an article by Mr. Justice Harold Burton, of the United States Supreme Court.

Mr. MUNDT asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. HILL asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. RIZLEY asked and was given permission to extend his own remarks in the RECORD.

Mr. CLEVINGER asked and was given permission to extend his remarks in the RECORD and include a letter and an editorial.

Mr. MILLER of Nebraska asked and was given permission to extend his remarks in the RECORD on the subject of OPA policies.

Mr. STEFAN asked and was given permission to extend his remarks in Appendix of the RECORD and include an article from the Reader's Digest.

Mr. CURTIS asked and was given permission to extend his remarks in the RECORD and insert an editorial.

Mr. BUFFETT asked and was given permission to extend his remarks in the Appendix of the RECORD on the subject Peacetime Conscription; the Promise Is Security; the Record Is Disastrous.

Mr. DONDERO asked and was given permission to extend his remarks in the RECORD and include an article showing the spread of communism.

## PERMISSION TO ADDRESS THE HOUSE

Mr. PITTENGER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

## REPORT TO THE AMERICAN PEOPLE ON THE ST. LAWRENCE SEAWAY AND POWER PROJECT

Mr. PITTENGER. Mr. Speaker, I hope from time to time to report to the American people on the state of the Union—not all of it, but just small segments of it. My report is going to deal







DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE  
(Issued November 15, 1945, for actions of Wednesday, November 14, 1945)

(For staff of the Department only)

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HIGHLIGHTS: Senate committee reported appropriation-rescission bill (Emergency-Rubber-Project item amended). Senate received President's message urging additional appropriation authorizations for UNRRA. Senate agreed to conference report on bill providing for payment of leave to servicemen who enter or reenter U.S. employment. Senate continued debate on reorganization bill. Reps. Vursell and Rees urged reduction in number of Federal personnel.

SENATE

1. APPROPRIATION RESCISSION. Appropriations Committee reported with amendments this bill, H.R. 4407 (S.Rept. 719) (p. 10798). The Senate committee amended the language regarding the Emergency Rubber Project to provide for the orderly liquidation of the project including sale of the mills and disposal of leases by sale or by contract arrangements, and for continuation of research, but the Senate committee language does not place any time limit on liquidation of the project. The House language provided for elimination of the remaining guayule plantations and the rehabilitation and return of the leased land to the owners, and also for continuation of research work until June 30, 1946. The Senate committee also restored \$1,789,419 of the \$5,226,461 House rescission for FEA. (For other provisions see Digest 181.)
2. UNRRA APPROPRIATIONS. Received the President's message urging appropriation authorizations of \$1,350,000,000 for U.S. participation in UNRRA activities. To Foreign Relations Committee. (pp. 10795-6.)
3. FOREIGN RELIEF. Received petitions from Wis. and Pa. citizens favoring additional foreign relief (p. 10797).
4. PERSONNEL; LEAVE. Agreed to the conference report on S. 1036, providing for payment of accrued or accumulated leave to servicemen who enter or reenter U.S. employment (p. 10800). This bill will now be sent to the President.
5. PRICE CONTROL; RATIONING. Received OPA's 14th report. To Banking and Currency Committee. (p. 10797.)



6. GOVERNMENT REORGANIZATION. Continued debate on S. 1120, the reorganization bill (pp. 10822-36). Debated Byrd and Donnell amendments. Sen. Donnell, Mo., spoke urging reduction in number of Federal personnel (pp. 10822-3).
7. PRICE CONTROL. Sen. Capper, Kans. inserted correspondence concerning removal of price controls and stated that OPA policy "is likely to retard production and thereby increase the inflationary pressure" (pp. 10797-8).
8. MINERALS. Received an Army and Navy Munitions Board letter relating to the inclusion of uranium in a list of strategic and critical materials. To Military Affairs Committee. (p. 10797.)
9. MILITARY TRAINING. Received communications opposing compulsory military training To Military Affairs Committee. (p. 10797.)
10. FLOOD CONTROL. Commerce Committee reported without amendment H.R. 1902, relating to the trial of the issue of just compensation in the case of condemnation proceedings of property to be used for flood control purposes (S.Rept. 718)(p. 10798).
11. BUILDINGS AND GROUNDS. D.C. Committee reported without amendment H.J.Res. 236, to provide for continuance of the tax-exempt status of certain D.C. property used and occupied by any department, agency, or instrumentality of the U.S. Government or by the American Red Cross (S.Rept. 784)(p. 10798).
12. GI BILL OF RIGHTS. Sens. George, Connally, Johnson of Colo., LaFollette, and Milliken were appointed conferees on H.R. 3749, to revise the Servicemen's Readjustment Act (pp. 10800-1). ~~House conferees not yet appointed.~~

HOUSE

13. PERSONNEL; EMPLOYMENT. Rep. Vursell, Ill., urged reduction in number of Federal personnel and criticized proposed legislation for unemployment compensation which would cover Federal employees and transportation home, and Federal salary increases; and criticized Government expenditures (pp. 10848-50).
14. FEDERAL SALARIES. Rep. Rees, Kans., spoke favoring salary increases for low-bracket employees, opposing increases in the higher brackets, and urging reduction in number of personnel (p. 10847).
15. RUBBER. Rep. Johnson, Ill., commended wartime synthetic rubber production and inserted a press release on the subject (p. 10841).
16. FEDERAL EXPENDITURES. Rep. Rich, Pa., criticized Government expenditures and urged a "sensible administration...or our Nation, will be ruined financially" (p. 10844).
17. COMMITTEE ASSIGNMENT; FLOOD CONTROL Rep. Davis, Tenn., was elected to the Flood Control Committee (p. 10846).
18. PRICE CONTROL. Reps. Hartley (N.J.), Rittenger (Minn.), and Jonkman (Mich.) criticized OPA price policies (pp. 10840-1, 10842).  
Rep. Sabath, Ill., commended Chester Bowles' administration of OPA (p. 10844).  
Rep. Gallagher, Minn., urged continuing price controls to avoid inflation (p. 10844).



amendment to the social-security laws of the United States, to the end that public employees may be included therein and may receive the same benefits therefrom as people engaged in private employment.

#### RESOLUTIONS COMMITTEE,

CURTIS OLSON,

Mayor, Valley City; Chairman.

A. G. PORTER,

City Attorney for La Moure, Kulm, and Edgeley; Member.

M. W. GACKLE,

Mayor, Kulm; Member.

L. E. CORRELL,

City Auditor, Casselton; Member.

C. L. FOSTER,

City Attorney, Bismarck; Member.

#### APPLICATION OF CAPITAL GAINS TAX— LETTER FROM RUDOLF CALLMANN AND PAUL TILLICH

Mr. McMAHON. Mr. President, a few months ago I sponsored legislation to close up a loophole in the tax laws which permitted certain classes of aliens to escape payment of taxes. This proposal has been pending, not being pushed by me due to the fact that the Treasury Department has said it will take care of the matter under regulations which they have issued. I am waiting for a report from them to see how well they have accomplished their job.

The measure which I introduced has apparently been taken advantage of by a few bigots who would spread dissension in the United States by applying a class and racial angle where it is totally unwarranted. This effort I repudiate and deplore. I, therefore, should like to have inserted in the RECORD, following my remarks, a letter addressed to me under date of November 9, signed by Paul Tillich and Rudolf Callmann which bears upon the subject.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NEW YORK, N. Y., November 9, 1945.

The Honorable BRIEN McMAHON,

United States Senate,

Washington, D. C.

DEAR SENATOR: This letter is written on behalf of two major national organizations of refugees from nazism in the United States, the American Federation of Jews from Central Europe, comprising 40 organizations of immigrants throughout the country, and Selfhelp of Emigres from Central Europe, a nonsectarian organization.

As you may be aware, your proposal to apply the capital gains tax to persons residing in the United States for extended periods on temporary visas, has been used as a springboard for groundless attacks in some newspapers directed against the refugees in this country as a whole. Knowing your splendid record as an enlightened and fair-minded legislator, we realize that these attacks are completely at variance with your purpose in sponsoring this proposal. We, therefore, feel that you will be interested in our views on the matter.

May we assure you that the principle underlying your proposal, to close a possible loophole in our existing tax laws, has the full approval of our organizations.

This legislation would affect few, if any of our members, or of the refugees generally, because the overwhelming majority of the 250,000 refugees in the United States entered as quota immigrants and are, therefore, subject to the capital gains and all other taxes. We, nevertheless, have an interest in the matter since misinterpretation of these facts may reflect unjustly on the new Americans. They pay their taxes with the same good

will and spirit of gratitude to America that they feel in serving in this country's armed forces and performing all other civic duties. Their interest in this matter is identical with that of every American that all who enjoy the privilege of living in this country shall meet the obligations entailed in that privilege.

Respectfully,

RUDOLF CALLMANN,

President American Federation of  
Jews from Central Europe, Inc.

Dr. PAUL TILLICH,

President Selfhelp of Emigres from  
Central Europe, Inc.

#### A CHANCE FOR PEACE—ADDRESS BY SENATOR BALL

[Mr. BALL asked and obtained leave to have printed in the RECORD an address entitled "A Chance for Peace," delivered by him before the Cincinnati Foreign Policy Institute on November 9 at Cincinnati, Ohio, which appears in the Appendix.]

#### PEACETIME COMPULSORY MILITARY TRAINING—ADDRESS BY SENATOR LA FOLLETTE

[Mr. LA FOLLETTE asked and obtained leave to have printed in the RECORD an address on the subject of peacetime compulsory military training, delivered by him at the Central Teachers' College, Stevens Point, Wis., on November 8, 1945, which appears in the Appendix.]

#### CONTROL OF THE USE OF ATOMIC EN- ERGY—BROADCAST FROM PRINCETON UNIVERSITY

[Mr. SMITH asked and obtained leave to have printed in the RECORD a broadcast in which he participated, from Princeton University, Princeton, N. J., on November 11, 1945, on the subject The Control of the Use of Atomic Energy, which appears in the Appendix.]

#### THE BATTLE FOR PEACE—ADDRESS BY SENATOR MYERS

[Mr. MYERS asked and obtained leave to have printed in the RECORD a radio address on the topic "The Battle for Peace," delivered by him on the program Congress Speaks, on November 13, 1945, which appears in the Appendix.]

#### MINIMUM WAGE RATES—STATEMENT BY SENATOR MYERS

[Mr. MYERS asked and obtained leave to have printed in the RECORD a statement regarding Senate bill 1349, the minimum-wage bill, made by him before the Senate Committee on Education and Labor on October 16, 1945, which appears in the Appendix.]

#### RESETTLEMENT OF PALESTINE—ADDRESS BY HENRY MORGENTHAU, JR.

[Mr. WAGNER asked and obtained leave to have printed in the RECORD an address delivered by the former Secretary of the Treasury, Hon. Henry Morgenthau, Jr., at a dinner given in his honor by B'nai B'rith, on November 7, 1945, at the Hotel Astor in New York, which appears in the Appendix.]

#### ARMISTICE DAY ADDRESS BY EDWARD M. SCHEIBERLING

[Mr. CAPPER asked and obtained leave to have printed in the RECORD an address delivered on Armistice Day, November 11, 1945, by Edward M. Scheiberling, national commander of the American Legion, at the tomb of the Unknown Soldier in Arlington National Cemetery, which appears in the Appendix.]

#### TRIBUTE TO MOUNTAINS BY JANE MARIE SURFACE

[Mr. STEWART asked and obtained leave to have printed in the RECORD an article en-

titled "I Love Mountains," by Jane Marie Surface, from the Washington Sunday Star of November 11, 1945, which appears in the Appendix.]

#### LABOR UNIONS AND POLITICS—EDI- TORIALS FROM THE FAIRMONT (W. VA.) TIMES

[Mr. KILGORE asked and obtained leave to have printed in the RECORD editorials entitled "Labor Unions and Politics" and "Political Education", published in the Fairmont (W. Va.) Times for October 23 and October 13, 1945, respectively, which appear in the Appendix.]

#### TOMB OF THE UNKNOWN WARRIORS— EDITORIAL FROM THE DETROIT TIMES

[Mr. FERGUSON asked and obtained leave to have printed in the RECORD an editorial entitled "Tomb of the Unknown Warriors," from the Detroit Times of November 12, 1945, which appears in the Appendix.]

#### RELATION OF WAGES AND PRICES—EDI- TORIAL FROM THE PHILADELPHIA REC- ORD

[Mr. MYERS asked and obtained leave to have printed in the RECORD an editorial entitled "Drop Anchor but Full Speed Ahead," published in the Philadelphia Record, which appears in the Appendix.]

#### CALL OF THE ROLL

Mr. HILL. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Andrews	Hart	O'Daniel
Austin	Hatch	O'Mahoney
Ball	Hawkes	Overton
Barkley	Hayden	Radcliffe
Bilbo	Hickenlooper	Reed
Brewster	Hill	Russell
Bridges	Hoey	Saltonstall
Buck	Huffman	Shipstead
Bushfield	Johnson, Colo.	Smith
Byrd	Kilgore	Stewart
Capper	Knowland	Taft
Carville	La Follette	Thomas, Okla.
Chavez	Lucas	Tunnell
Connally	McClellan	Tydings
Cordon	McKellar	Vandenberg
Donnell	McMahon	Wagner
Downey	Magnuson	Walsh
Eastland	Mead	Wheeler
Ellender	Millikin	Wherry
Ferguson	Mitchell	Wiley
Fulbright	Moore	Wilson
Green	Morse	Young
Guffey	Murdock	
Gurney	Myers	

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] is absent from the Senate because of illness.

The Senator from Arizona [Mr. McFARLAND] is absent because of illness in his family.

The Senator from Utah [Mr. THOMAS] has been appointed a delegate to the International Labor Conference in Paris, and is therefore necessarily absent.

The Senator from Montana [Mr. MURRAY] is attending the conference in London to consider the creation of an educational and cultural organization of the United Nations.

The Senator from Nevada [Mr. McCARRAN] and the Senator from Florida [Mr. PEPPER] are detained on official business.

The Senator from North Carolina [Mr. BAILEY], the Senator from Alabama [Mr. BANKHEAD], the Senator from Missouri [Mr. BRIGGS], the Senator from Georgia [Mr. GEORGE], and the Senator from



Rhode Island [Mr. GERRY] are necessarily absent.

The Senators from South Carolina [Mr. JOHNSTON and Mr. MAYBANK] are detained on public business.

The Senator from Idaho [Mr. TAYLOR] is a member of the committee on the part of the Senate attending the funeral of the late Senator Thomas of Idaho, and is therefore necessarily absent.

Mr. WHERRY. The Senator from Illinois [Mr. BROOKS], the Senator from Nebraska [Mr. BUTLER], the Senator from North Dakota [Mr. LANGER], and the Senator from Wyoming [Mr. ROBERTSON] are members of the Senate committee attending the funeral of the late Senator Thomas of Idaho.

The Senator from Vermont [Mr. AIKEN] has been excused until November 20 for reasons heretofore stated.

The Senator from Indiana [Mr. CAPEHART] is unavoidably absent because of injuries resulting from an accident.

The Senator from West Virginia [Mr. REVERCOMB] is absent on official business.

The Senator from New Hampshire [Mr. TOBEY] and the Senator from Indiana [Mr. WILLIS] are necessarily absent.

The PRESIDING OFFICER (Mr. HOEY in the chair). Seventy Senators having answered to their names, a quorum is present.

PAYMENT FOR ACCUMULATED OR ACCRUED LEAVE TO CERTAIN MEMBERS OF THE MILITARY AND NAVAL FORCES—  
CONFERENCE REPORT

Mr. DOWNEY submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1036) to provide for the payment of accumulated or accrued leave to certain members of the military and naval forces of the United States, who enter or reenter civilian employment of the United States, its Territories or possessions, or of the District of Columbia, before the expiration of such leave, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

"That the Act entitled 'An Act making provisions for payment of employees of the United States Government, its Territories or possessions, or the District of Columbia, for accumulated or accrued annual leave when ordered to active duty with the military or naval forces of the United States', approved August 1, 1941, as amended April 7, 1942 (56 Stat. 200), is further amended by adding at the end thereof a new section as follows:

"Sec. 2. (a) Any person, who, subsequent to May 1, 1940, shall have performed active service in the armed forces, may, while on terminal leave pending separation from or release from active duty in such service under honorable conditions, enter or reenter employment of the Government of the United States, its Territories or possessions, or the District of Columbia (including any corporation created under authority of an Act of Congress which is either wholly controlled or wholly owned by the Government of the United States, or any department, agency, or establishment thereof, whether or not the

employees thereof are paid from funds appropriated by Congress), and, in addition to compensation for such employment, shall be entitled to receive pay and allowances from the armed forces for the unexpired portion of such terminal leave at the same rates and to the same extent as if he had not entered or reentered such employment.

"(b) Any such person who, prior to the date of enactment of this section, entered or reentered such employment without having used all accumulated and current accrued leave to which he would have been entitled as a result of such service had he not entered or reentered such employment, shall upon application therefor filed with the Secretary of War, the Secretary of the Navy, the Secretary of Commerce, or the Federal Security Administrator, as the case may be, be entitled to be paid a lump sum equal in amount to the pay and allowances to which he would have been entitled while on terminal leave for the unused portion of such accumulated and current accrued leave had he not entered or reentered such employment.

"(c) Any such person who, while on terminal leave from the armed forces, performed or shall hereafter perform services for the Government of the United States, its Territories or possessions, or the District of Columbia (including any corporation created under authority of an Act of Congress which is either wholly controlled or wholly owned by the Government of the United States, or any department, agency, or establishment thereof, whether or not the employees thereof are paid from funds appropriated by Congress), for which he would have been entitled to be paid had he regularly become employed or reemployed in a civilian position prior to performing such services, and had he not been receiving pay and allowances from the armed forces for the period during which such services were performed, shall, if he has not otherwise been compensated for such services, be entitled, upon application therefor filed with the General Accounting Office, or, in the case of a person performing such services for a Territory or possession, filed with the appropriate agency or officer of the Government of such Territory or possession, to be paid a lump sum equal in amount to the compensation he would have received for such services had he been regularly employed or reemployed and had he not been receiving pay and allowances from the armed forces.

"(d) Any such person who enters the employment of a State, or any political subdivision thereof, shall upon application therefor filed with the Secretary of War, the Secretary of the Navy, the Secretary of Commerce, or the Federal Security Administrator, as the case may be, be entitled to be paid a lump sum equal in amount to the pay and allowances to which he is entitled for the unused portion of his accumulated and current accrued leave.

"(e) No waiver effectuated prior to the date of enactment of this section of any right to receive any payment to which a person would otherwise be entitled under this section shall operate to deny such person entitlement to such payment.

"(f) As used in this section, the term 'armed forces' includes the Army, Navy, Marine Corps, Coast Guard, the commissioned corps of the Public Health Service, and the commissioned corps of the Coast and Geodetic Survey, and their respective components."

And the House agree to the same.

That the title of the bill be amended to read as follows: "An Act to provide for the adjustment of the compensation of certain members or former members of the armed forces of the United States who, before the expiration of their terminal leave, have performed, or shall hereafter perform, civilian

services for the United States, its Territories or possessions, or the District of Columbia, and for other purposes."

SHERIDAN DOWNEY,  
GLEN H. TAYLOR,  
THOS. C. HART,

Managers on the Part of the Senate.

ROBERT RAMSPECK,  
JENNINGS RANDOLPH,  
EDWARD H. REES,

Managers on the Part of the House.

Mr. DOWNEY. I move that the Senate agree to the conference report.

Mr. WHERRY. Mr. President, reserving the right to object, will the Senator explain the question at issue in the conference report?

Mr. DOWNEY. There is a law which prevents any civil-service employee or anyone else from receiving two salaries from the Government. Military personnel and commissioned officers are now coming back who have the right of terminal accrued leave. Many of them desire to go back to work immediately for the Government. The bill allows them to draw their military terminal-leave pay while also drawing civilian pay.

Mr. WHERRY. In other words, it permits them to draw civilian pay even though on terminal leave? Is that correct?

Mr. DOWNEY. That is a better expression of it.

Mr. WHERRY. I thank the Senator.

Mr. DOWNEY. The conference report incorporates certain amendments which Members of both Houses thought were necessary.

Mr. WHEELER. Mr. President, would the report amend the law in any other respect so that a civilian Government employee may draw two salaries from the Government?

Mr. DOWNEY. No; it would affect no one except the military personnel on terminal leave.

Mr. WHERRY. And aside from the technical differences, the meat of the matter is that a person who returns from military service and is discharged, who has terminal leave accruing, can at the same time draw a check from a Government agency for civilian service?

Mr. DOWNEY. Yes.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

AMENDMENT OF SERVICEMEN'S READJUSTMENT ACT OF 1944

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H. R. 3749) to amend the Servicemen's Readjustment Act of 1944 to provide for a readjustment allowance for all veterans of World War II, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. JOHNSON of Colorado. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. GEORGE, Mr. CONNALLY, Mr. JOHNSON of Colorado,



Mr. LA FOLLETTE, and Mr. MILLIKIN conferees on the part of the Senate.

**"FOUR FREEDOMS" AWARD TO GEN. MARK W. CLARK**

Mr. MEAD. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution, a letter and statement made in connection with the annual "four freedoms" award to Gen. Mark W. Clark. First is the resolution adopted by the Italian-American Labor Council, next a letter from President Truman on the occasion of the presentation of the annual "four freedoms" award to General Clark, then a biographical sketch, containing General Clark's military record, and last a statement of principles by the Italian-American Labor Council.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

**ITALIAN-AMERICAN LABOR COUNCIL ANNUAL "FOUR FREEDOMS" AWARD**

Resolution in appreciation and recognition of his—

Magnificent leadership of the historic battles for human liberty and justice—the glorious struggles in the valleys and mountains of Italy which culminated in the full liberation of her people from the cruel yoke of nazism-fascism;

Sympathetic understanding of the intense devotion of the Italian people to democracy and freedom and the great courage and discipline displayed in their long difficult fight against Fascist and Nazi tyranny;

Inspiring the self-reliance and lifting the hopes of the heroic forces of Italian resistance by active encouragement and appropriate esteem of their vital contributions to our common victory over our common enemy, and, thereby

Symbolizing and dramatizing to the entire world America's loyalty and services to the "four freedoms" and her determination to achieve a new creative relationship between the liberty-loving and peaceful peoples of the United States and the new Italy as an unshakeable pillar of international security and a dynamic force for the progress and happiness of all mankind.

The Italian-American Labor Council herewith resolves to present to Gen. Mark W. Clark, United States of America, the annual "four-freedom" award.

LUIGI ANTONINI,  
President.

PROSEFINO,  
Secretary.

COLUMBUS DAY, 1945.

**THE WHITE HOUSE,**

Washington, October 1, 1945.

Mr. LUIGI ANTONINI, President,  
Italian-American Labor Council, Inc.,  
New York, N. Y.

DEAR MR. ANTONINI: It is especially fitting that the Italian-American Labor Council has selected Columbus Day as the day for the presentation of its annual "four-freedoms" award to Gen. Mark W. Clark.

General Clark has rendered superb service in the liberation of the Italian people. Soldier, statesman and humanitarian, he deserves the thanks of all people of Italian blood in this country for all that he has done for the beloved homeland and for those liberated from the heel of the oppressor.

Columbus had vision and courage when he fared forth on the voyage which gave the world two new continents. I have full faith that Italians of the present day will face the heavy task of rehabilitation with the same faith and courage. Please extend to General Clark my hearty congratulations and my

warmest greetings to all who gather in his honor.

Very sincerely yours,  
HARRY S. TRUMAN.

**MARK W. CLARK**

Mark W. Clark was born in Madison Barracks, N. Y., on May 1, 1896, and following graduation from the United States Military Academy, West Point, N. Y., with a bachelor of science degree, was appointed a second lieutenant of Infantry on April 20, 1917.

**PROMOTIONS**

He was promoted to first lieutenant on May 15, 1917; to captain on November 7, 1919; to major on January 14, 1933; to lieutenant colonel on July 1, 1940; to brigadier on August 4, 1941; to major general on April 17, 1942; to lieutenant general on November 11, 1942; to general on March 19, 1945.

**SERVICE**

He first served with the Eleventh Infantry at Chickamauga Park, Ga., until April 1918, when he sailed for France with this regiment, and served at the front until June 1918, when he was wounded in action. He was with the supply section of the General Staff, First Army, from August 1918, until April 1919, taking part in operations at St. Mihiel and in the Meuse-Argonne offensive. His next assignment was with the Service of Supply of the Third Army at Antwerp, Belgium, between April and June 1919, when he joined the Supply Division of the Third Army at Colbenz, Germany. He returned to the United States 1 month later.

He served at Fort Leavenworth, Kans., at the United States disciplinary barracks, in August and September 1919, then moved to Fort Snelling, Minn., with the Forty-ninth Infantry, and to Fort Crook, Nebr., with a part of this regiment in October 1919.

During 1921 he was detailed on a chauteauqua tour for the Adjutant General's Department and entered the office of the Assistant Secretary of War, Washington, D. C., in October 1921 for a 3-year tour of duty. He then enrolled in the Infantry School, Fort Benning, Ga., and following graduation in May 1925, was assigned to 3 years' duty at the Presidio of San Francisco, Calif., with the Thirtieth Infantry. He served at Fort D. A. Russell (now Francis E. Warren), Wyo., in headquarters of the Fourth Brigade from April 1928 until May 1929, when he was assigned as instructor of the Indiana National Guard at Indianapolis, Ind.

He enrolled in the Command and General Staff School, Fort Leavenworth, Kans., in August 1933 and was graduated from the 2-year course in June 1935. He then was assigned to the Seventh Corps area headquarters, Omaha, Nebr., as Deputy Chief of Staff for the Civilian Conservation Corps, until June 1936. One year later he was graduated from the Army War College, Washington, D. C., and assigned to Staff of the Third Division, at Fort Lewis, Wash. In March 1940 he was assigned as an instructor at the Army College, Washington, D. C. He was ordered to duty with the staff of General Headquarters, at the Army War College, Washington, D. C., in August 1940 and he was assigned as chief of staff of the Army Ground Forces, with headquarters in Washington, D. C., in May 1942.

In June 1942 he became commanding general of the Second Corps and the following month was named to command the ground forces in the European theater of operations. In November 1942 he was announced as deputy commander in chief of forces landing in north Africa and in January 1943 assumed command of the Fifth Army. In December 1944 he was made commanding general of the Fifteenth Army Group in the Mediterranean theater of operations. In June 1945 he was made com-

mander in chief of United States Occupational Forces in Austria.

**DECORATIONS**

For World War bravery when wounded in action, he was awarded the Purple Heart.

In November 1942 he was awarded the Distinguished Service Medal with the following citation:

"Mark W. Clark, lieutenant general (then major general), Army of the United States. As deputy commander in chief of the Allied north African force, he rendered distinguished service to the United States Army in connection with the planning and organization for the operations in Africa. As deputy commander of the Allied north African force he carried out a vitally important and hazardous mission to Algiers by submarine and conducted with conspicuous success important negotiations with French officials. In all of these duties he displayed outstanding characteristics of leadership, sound judgment, and soldierly qualities to the honor of the Army of the United States."

He received the award of the Legion of Merit in 1943, with the following citation:

"For exceptionally meritorious conduct in the performance of outstanding service. As Deputy Chief of Staff, General Headquarters, United States Army, and as chief of staff, Headquarters Army Ground Forces, he displayed tireless energy, great resourcefulness and military attainment of a high order in solving with sound judgment, perplexing problems, and assisting in the training of units of the Army Ground Forces. As commanding general of the Second Corps, by his tact, professional efficiency, and leadership he laid the ground work in the European theater for a vast organizational housing and training development for the United States Army Ground Forces. His exceptional military judgment, common sense, devotion to duty, and loyal services were of inestimable value to the theater commander."

**ITALIAN-AMERICAN LABOR COUNCIL STATEMENT OF PRINCIPLES**

1. The Italian-American Labor Council, organized on December 20, 1941, is a national body composed of representatives of AFL and CIO affiliates, and bona fide independent labor unions in whose ranks there is a substantial number of American workers of Italian origin.

2. The Italian-American Labor Council is dedicated to the promotion of democracy, social justice, and sound national unity in our country.

3. It strives to crystallize amongst Americans of Italian descent a virile devotion and loyalty to the ideals of America. Toward the achievement of this end, the Italian-American Labor Council organizes educational and cultural activities in response to issues of national and international character affecting the life of the American people.

4. The Italian-American Labor Council endeavors through its activities, especially in the ranks of American Labor of Italian extraction, to foster the cause of good citizenship and good unionism. We believe that the two are inseparable and supplement each other.

5. As an organization devoted to the ideals of freedom and justice, we hold that a victory for democracy anywhere strengthens democracy everywhere and that a setback for democracy anywhere is a defeat for democracy everywhere. We, therefore, dedicate ourselves to the energetic cooperation between the democratic labor forces of our own country and the genuine democratic labor movements of other lands. In this connection, we are particularly interested in the closest cooperation with and in fostering the growth of the bona fide democratic forces in Italy. Because of our kinship with the people of Italy, we are especially desirous



that the ranks of real Italian democracy triumph over all elements and types of totalitarian aspiration, philosophy, and practice—over all forces that have as their goal the imposition of a one-party system in any shape, manner, or form.

6. During the war our slogan was: America's victory is Italy's freedom. Our country has won the war. The Italian people are now free from Nazi-Fascist domination. It is now our task to win the peace. We must transform the fruits of military victory into wholesome and just political, economic, and social gains—into the full realization of the "four freedoms" for the American people, the people of democratic Italy, and all mankind. Through its moral and material contributions to the victory over the common enemy, the new, the democratic Italy has earned its right to a place of honor and esteem among the free nations of the world—as a full-fledged member of the United Nations.

7. Towards the attainment of this goal it is indispensable that the resurgent democracy in Italy be encouraged and strengthened by the democratic forces of our country. The Italian-American Labor Council pledges its warmest solidarity and help in the rebuilding of a free trade union movement as a bulwark of Italian democracy. We pledge our wholehearted moral and material assistance to all proponents of true democracy in Italy. A really free and democratic Italy is a mighty cornerstone of the edifice of international security and an enduring and just peace in Europe and throughout the world.

8. The Italian-American Labor Council believes that the development of ever firmer friendship and solidarity between the freedom-loving American and Italian people can prove only mutually advantageous and enhance the welfare of both peoples. Such sound and lasting Italo-American friendship is conducive to the enrichment of human culture and progress and the reinforcement of world peace and prosperity.

9. In this spirit the Italian-American Labor Council will continue to protect and defend the rights of our American population of Italian descent against the assaults of the bigots and all other anti-American elements. It will aid the loyal Italo-Americans in fulfilling most energetically their duties and in enjoying more fully their rights as citizens of the United States. These activities of the Italian-American Labor Council are to be conducted in the spirit of our devotion to the struggle against all discrimination and prejudices growing out of differences in race, color, creed or national origin among the people of our country. These activities are to be conducted in the interest of true national unity and vital American democracy.

10. Let us build Italo-American friendship as a powerful pillar of world peace and democracy!

#### RETURN OF SERVICEMEN FROM OVERSEAS

Mr. WHEELER. Mr. President, I am in receipt of a radiogram from members of the Thirty-seventh Division, now stationed at Manila. I presume other members of the Senate have received a similar radiogram. It is as follows:

MANILA, November 9, 1945.

Request following situation brought to attention proper authorities: We of the Thirty-seventh Division some with 42 months overseas and all with 60 or more points are awaiting shipment home from Philippines while a division with one-half our overseas time has already departed. It is further contemplated sending thousands of noncombat troops home from Philippines ahead of the Thirty-seventh and we vigorously protest spending our fourth Christmas overseas.

MEMBERS OF THE THIRTY-SEVENTH.

I have also received a longer telegram from the enlisted men of the Second

Battalion of the Fourteenth Infantry Regiment, Thirty-seventh Division, dated November 11, 1945, from Manila, as follows:

We feel that we have a justifiable case which should be brought to attention of War Department and public. Here are the facts in regards to our division. The Thirty-seventh Infantry Division has been serving overseas since May 26, 1942, total of 41 months. During this period division saw action on New Georgia, Vella la Vella, Bougainville, and Luzon. Total time in combat equal to if not exceeding that of any other combat division in this theater. Our long record has been excellent in all campaigns. Casualties were high. During interrogation of General Yamashita, commander of the Japanese armed forces in the Philippines, he brought out the fact that among the men of his command the Thirty-seventh Division was one of the most feared and highly respected combat divisions in the Pacific. Officials in this theater command never failed to recognize high combat efficiency of this division when difficult jobs were to be done. We were called on to participate in some of the most bitterly contested actions. Now despite the cessation of hostilities we feel that higher Army authorities in this theater have extended their obvious prejudice against this division by repeatedly postponing plans to return the division on dates announced by both General MacArthur's headquarters and the War Department. One official date and other dates which we read in newspapers have already been postponed. In our place two other divisions, the Forty-third and Thirty-eighth, have already returned to the States. The Thirty-eighth and other divisions have been given higher priority over the Thirty-seventh and have less time overseas and in combat than the Thirty-seventh. Furthermore, service troops in replacement depots have priority over our combat division. The Thirty-seventh has 17,000 men in it all of whom are eligible for discharge and all of whom have been promised that they will be home for Christmas. We feel that the return of the veterans of this division to the United States is being jeopardized and delayed by the unfounded personal animosity entertained for this division and its commanding general, the only National Guard division commander to have held his command throughout the war, by the Regular Army clique that has dictated policies in this theater since beginning of war. Is it asking too much that this injustice caused by petty Army practices be brought to the attention of the public? In view of your position and your reputation for the baring of facts we members of this battalion have decided that you are the most capable person who has the courage to publicize this situation.

Respectfully,

ENLISTED MEN OF THE SECOND  
BATTALION, FOURTEENTH IN-  
FANTRY REGIMENT, THIRTY-  
SEVENTH INFANTRY DIVISION.

Mr. President, I hesitate to criticize the Army and the Navy concerning the delay in returning to the United States men in the armed forces. In all the contacts I have had with Army and Navy officials they have stated they have been doing everything they could to have the men brought back to this country. But I am receiving numerous letters from young men in the service overseas, and from their families at home—and I presume other Members of the Senate are receiving similar letters—particularly from men in China, in Okinawa, and in other places. I have a letter from a man in Great Falls, Mont., dated November 5, 1945, as follows:

DEAR SENATOR WHEELER: I don't imagine there is a damned thing you can do about this situation but I thought it would do no harm to refer it to you just in case you might.

My foster son has been in the services for 3 years, 2 of which have been in the Pacific area. The following is from his last letter to me:

"In spite of all the statements made by Army and Navy officials and Congressmen, the shipping situation in this area (Philippines) is damned poor. There are still men in the replacement pools with 90 and 95 points. The replacement camps are all overcrowded, many men having been in there over a month. They fool a lot of the people at home by lowering the points to 60 to make them believe things are moving fast. But they can't fool us over here. Even if the point score was 40 we would still have to wait for a ship to take us home. As usual the Air Corps is getting the cream with all their 70-point men and some 60-point men back in the States. As an illustration of how much time we have on our hands, I have read seven books in the past few days. Maybe I wasn't brought up right, but this lazy man's life doesn't agree with me in the least."

Doesn't it impress you as being such a hell of a waste of a young man's life? He is just about 22 and should have been through college by this time. It strikes me that the Navy might be better engaged in bringing the chaps home than going on parades all over both our coast lines. Another thing, is there an ulterior motive in keeping the boys there? Are we going to fight in China? Why are our ships being used to transport Chinese troops? Read the excerpt from this letter on the floor of the Senate and ask these questions, and you will be well rewarded with servicemen's loyalty. They look on you as their champion of their causes. Think of the effects this situation is having on their physical and mental state. It's high time something was done about it.

Yours very truly.

Mr. President, I have also received a letter from members of Local Union No. 1095, United Mine Workers of America, dated November 7, 1945, from Red Lodge, Mont., as follows:

DEAR MR. WHEELER: In behalf of the soldiers who have fought and bled to bring this war to an end, and whereas these men have not been able to get passage home, to which they are rightfully entitled to; Therefore be it

Resolved, That Local 1095 of the United Mine Workers of America urge all locals and districts of the United Mine Workers of America and the honorable President of the United States, as well as the honorable Senators and Representatives of our Nation, that they do all in their power to get all available transportation to bring these soldiers home from foreign shores. We demand immediate action for these soldiers who have waited months for a ship to take them home.

Sincerely submitted.

RESOLUTION COMMITTEE, LOCAL 1095.

I have also received a letter from a newspaperman, dated November 6, 1945, from Billings, Mont., as follows:

DEAR SENATOR: Being a father of two boys still in the armed forces, I am seeking some information and am turning to you in hopes you can furnish it.

What I want to know is why the Army is holding the Twentieth Air Force on the Island of Guam. My information is the force there has been doing nothing for the past 2 months or more. If your office does not have the information available, would you kindly pass this on to the proper authorities.

Very truly yours.







OFFICE OF BUDGET AND FINANCE  
Legislative Reports and Service Section

79th-1st, No. 210

DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE  
(Issued November 29, 1945, for actions of Wednesday, November 28, 1945)

(For staff of the Department only)

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HIGHLIGHTS. House continued debate on 1st deficiency appropriation bill. Rep. Cannon urged economy in Federal expenditures. Senate appointed conferees for further conference on bill to liberalize loan provisions of GI Bill of Rights. Rep. Hobbs commended appointment of Rep. Sparkman as Majority Whip.

HOUSE

1. FIRST DEFICIENCY APPROPRIATION BILL, 1946. Continued debate on this bill, H.R. 4805 (pp. 11305-27).  
Agreed, 115-89, to Rep. Lanham's (Tex.) amendment to provide \$24,500,000 for veterans' housing facilities (pp. 11311-20).  
Rejected, 26-58, Rep. Bailey's (W.V.) amendment to provide \$20,000,000 additional for public works advance planning, FWA (pp. 11309-10); and 87-100, Rep. Wigglesworth's (Mass.) amendment to strike out the FCC item (p. 11308).  
Reps. Miller, Nebr., and Case, S.Dak., discussed the effects of the language in the RFC item which prohibits the payment of compensation to any person engaged in making or processing loans to any State, or subdivision thereof or therein, for construction purposes, unless in pursuance of a specific authorization. Rep. Miller stated that "it would be dangerous for the committee to place a limitation in this bill which would prohibit the RFC from making loans to irrigation groups, or for the further extension of REA," and Rep. Case stated that "there is specific authority for RFC loans to REA" (pp. 11308-9).
2. TRANSPORTATION. The Rules Committee reported a resolution for the consideration of H. R. 2536, to amend the Interstate Commerce Act with respect to approval of agreements between carriers (pp. 11328, 11336). (For bill's provisions see Digest 207).
3. WAR POWERS. The Rules Committee reported resolutions for the consideration of H. R. 4780, to amend the Second War Powers Act with respect to duration of powers, and H. R. 4571, to amend the First War Powers Act with respect to alien property held by the Alien Property Custodian (pp. 11327-8, 11328, 11336).

4. STRIKES. Rep. Savage, Wash., criticized H. R. 3937, relating to labor negotiations and penalties for contract violations (pp. 11328-30).  
Rep. Miller, Nebr., criticized the lack of responsibility of labor leaders and unions (pp. 11331-3).
5. ECONOMY. Rep. Rich, Pa., spoke favoring economy in Federal expenditures (pp. 11302-3).
6. MAJORITY WHIP. Rep. Hobbs, Ala., commended the appointment of Rep. Sparkman, Ala., as Majority Whip (p. 11305).

~~House~~  
Senate

7. GI BILL AMENDMENTS. Received and agreed to the conference report on this bill, H.R. 3749, which reported items in disagreement. Agreed to Sen. Johnson's (Colo.) motion to insist on the Senate amendments. Sens. George, Connally, Johnson, LaFollette, and Milliken were appointed conferees for further conference (p. 11261).
8. ACCOUNTING. Passed without amendment H.R. 4350, relating to the issuance of checks in replacement of lost, stolen, etc., U.S. checks (p. 11299).
9. FOREIGN AFFAIRS. Continued debate on S. 1580, to provide for the appointment of U.S. representatives in the organs and agencies of the United Nations and to make other provision with respect to the U.S. participation in such organization (pp. 11262-69, 11299).
10. INFLATION; WAGES; LOANS; COOPERATIVES; SOIL CONSERVATION. Sen. Butler, Nebr., inserted a Nebr. Bankers Assoc. resolution on inflation, opposing minimum-wage increases, urging elimination of "red tape" involved in GI loans and Congressional redefining of "cooperatives," and commending the soil-conservation program (pp. 11260-1).

BILLS INTRODUCED

11. MARKETING; DRUGS. H. R. 4851, by Rep. Flannagan, Va., to regulate the marketing of economic poisons and devices. To Agriculture Committee. (p. 11336.)
12. FLOOD CONTROL. H. R. 4852, by Rep. Bishop, Ill., to provide for a reexamination and resurvey of the Miss. River at and in the vicinity of the East Cape Girardeau and Clear Creek, North Alexander, Clear Creek, Preston, and Miller Pond drainage and levee districts, Ill. To Flood Control Committee. (p. 11336.)
13. RESEARCH. H. Con. Res. 104, by Rep. Bender, Ohio, creating a joint standing committee on scientific research. To Rules Committee. (p. 11336.)
14. VETERANS. H. R. 4847, H.R. 4849 (p. 11336).

ITEMS IN APPENDIX

15. APPROPRIATIONS; FLOOD CONTROL; CENTRAL VALLEY PROJECT. Speech in the House by Rep. Clason, Mass., criticizing the elimination of flood-control-project appropriations and discussing the Central Valley project. Other members discussed this with him. (pp. A5534-5.)
16. ECONOMY. Speech in the House by Rep. Cannon, Mo., urging reduction in Federal expenditures (pp. A5559-60).



lation, it may be the opening wedge for further attempts by various pressure groups to take away from banks other legitimate sources of revenue. We urge our legislative committee to keep a watchful eye on all future legislation of this kind that may be proposed.

17. The passing of friends and colleagues is difficult to accept at any time. This past year, the grim reaper has taken quite a number from our ranks, and we who knew them and the work they did, the things for which they stood, and the superb service they rendered, find it difficult to realize that their living careers are ended. We mourn the passing this year of the following friends and colleagues: Norman E. Shaffer, cashier, First National Bank of Hooper; L. J. Kudrna, vice president, First National Bank, Wahoo; Pete Eginton, president, Bank of Paxton; E. C. Yont, president, Bank of Brock; M. V. Nicholson, president, First National Bank of Valentine; C. C. Miller, vice president, Crete State Bank; C. J. Hitchcock, vice president, Havelock National Bank, Lincoln; E. E. Landstrom, assistant cashier, United States National Bank of Omaha; Mrs. Clara W. Phillips, president, Cambridge State Bank; G. A. Matz, president, First National Bank of Cozad; John Link, assistant cashier, Bank of Stapleton; C. E. Samuelson, vice president, State Bank of Hildreth; Mrs. A. H. Banks, president, Commercial State Bank of Wausa; G. C. Benning, cashier, Bank of Madison; Dennis A. Criss, president, First National Bank of Stuart; W. R. Maloney, vice president, First National Bank of North Platte; T. R. Wake, president, Jones National Bank of Seward; Percy Baird, president, Farmers State Bank of Superior; Morris Well, president, National Bank of Commerce of Lincoln; D. E. Wilkie, Bank of Talmage; H. R. Walte, chairman of board, Beatrice State Bank.

(Signed by 18 country bankers, 3 city bankers.)

#### REPORT OF THE COMMITTEE ON MILITARY AFFAIRS

Mr. THOMAS of Utah, from the Committee on Military Affairs, to which was referred the bill (S. 1288) to authorize the course of instruction at the United States Military Academy to be given to not exceeding 20 persons at a time from the American Republics, other than the United States, reported it without amendment and submitted a report (No. 803) thereon.

#### APPOINTMENT OF AMERICAN REPRESENTATIVES IN UNITED NATIONS ORGANIZATION—AMENDMENTS

Mr. WHEELER and Mr. MILLIKIN submitted amendments intended to be proposed by them respectively, to the bill (S. 1580) to provide for the appointment of representatives of the United States in the organs and agencies of the United Nations, and to make other provision with respect to the participation of the United States in such organization, which were severally ordered to lie on the table and to be printed.

#### COMPENSATION AND PENSIONS OF VETERANS OF ALL WARS AND THEIR DEPENDENTS (S. DOC. NO. 99)

Mr. GEORGE. Mr. President, I ask unanimous consent to have printed as a Senate document a revision of Senate Document No. 15 of this session, having to do with compensation of veterans or their dependents under all wars of the United States. The revision brings the document down to date.

It will be recalled that this compilation was printed on March 1, 1945. Since that

date the Congress has made many amendments to the existing laws on the subject, and this compilation will be found by the Members of the Senate to be most valuable in that it gives not only all the laws on the subject, but the regulations of the Veterans' Administration.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### CLAIMS FOR DAMAGE TO PROPERTY UNDER JURISDICTION OF THE NAVY DEPARTMENT

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 1364) to provide for the compromise and settlement by the Secretary of the Navy of certain claims for damage to property under the jurisdiction of the Navy Department, to provide for the execution of releases by the Secretary of the Navy upon payment of such claims, and for other purposes, which was, on page 2, line 21, to strike out "\$500,000" and insert "\$1,000,000."

Mr. WALSH. Mr. President, I move that the Senate concur in the amendment of the House.

The motion was agreed to.

#### PUNISHMENT FOR MURDER

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 1308) to amend article 6 of the Articles for the Government of the Navy, which was, in line 10, to strike out "life imprisonment or."

Mr. WALSH. Mr. President, I move that the Senate concur in the amendment of the House.

The motion was agreed to.

#### DISCHARGE OF MIDSHIPMEN BECAUSE OF UNSATISFACTORY CONDUCT OR APTITUDE

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 1064) to authorize the discharge of midshipmen from the United States Naval Academy by the Secretary of the Navy because of unsatisfactory conduct or aptitude, which were, on page 1, line 5, to strike out all after "unsatisfactory" down to and including "service" in line 7, and to amend the title so as to read: "An act to authorize the discharge of midshipmen from the United States Naval Academy by the Secretary of the Navy because of unsatisfactory conduct."

Mr. WALSH. Mr. President, I move that the Senate disagree to the amendments of the House, request a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to, and the President pro tempore appointed Mr. WALSH, Mr. TYDINGS, and Mr. SALTONSTALL conferees on the part of the Senate.

#### AMENDMENTS TO GI BILL OF RIGHTS

Mr. JOHNSON of Colorado submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8749) to amend the Servicemen's Readjustment Act of 1944 to provide for a readjust-

ment allowance for all veterans of World War II, having met, after full and free conference, have been unable to agree.

WALTER F. GEORGE,  
TOM CONNALLY,  
ED. C. JOHNSON,  
ROBERT LA FOLLETTE,  
E. D. MILLIKIN,

*Managers on the Part of the Senate.*

J. E. FRANKIN,  
A. LEONARD ALLEN,  
JAMES DOMENGEAUX,  
EDITH NOURSE ROGERS,  
PAUL CUNNINGHAM,

*Managers on the Part of the House.*

The report was agreed to.

Mr. JOHNSON of Colorado. Mr. President, I move that the Senate further insist on its amendments, ask a further conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate at the further conference.

The motion was agreed to; and the President pro tempore appointed Mr. GEORGE, Mr. CONNALLY, Mr. JOHNSON of Colorado, Mr. LA FOLLETTE, and Mr. MILLIKIN conferees on the part of the Senate at the further conference.

#### OVERSUBSCRIPTIONS TO E-BOND QUOTAS BY NORTH DAKOTA AND MONTANA

Mr. LANGER. Mr. President, I call attention to an article published in today's New York Times headed "Montana second State over E-bond quota." I further call attention to the fact that North Dakota was the first State to exceed its E-bond quota, a fact which is not mentioned in the headline of this article. North Dakota passed its E-bond quota over a week ago, and was the first State in the United States to do so.

I ask unanimous consent that the first three paragraphs of the article be printed in the RECORD.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

Individual sales of Victory bonds in the Nation, tabulated through yesterday, totaled \$3,159,000,000, of which \$833,000,000 was in E bonds, according to the Associated Press. The individual goal is \$4,000,000,000 of an overall goal of \$11,000,000,000 in the Victory loan drive, which is to end December 8.

The Treasury announced that Montana became the second State in the Union to go over the top on E bonds in the drive. North Dakota surpassed its E-bond quota on sales recorded by November 20.

Montana achieved 101.2 percent of its \$9,000,000 E-bond quota, with sales of \$9,108,104. At the same time it topped its \$15,000,000 individual sales quota with \$16,041,847, or 106.9 percent.

#### ARMY-NAVY FOOTBALL GAME

Mr. LANGER. Mr. President, I announce to Senators present that if any of them want to attend the Army-Navy football game and have not obtained tickets to the game, that, according to an article appearing in this morning's Washington Post, they can buy tickets at the price of \$35 for each \$4.80 ticket. I ask unanimous consent that the article from the Washington Post be printed in the CONGRESSIONAL RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:



## ARMY-NAVY GAME DUCATS AVAILABLE, BUT AT A PRICE

PHILADELPHIA, November 27.—Tickets to the Army-Navy game are rarer than uranium, but a few ducats are available if a person wants to pay as high as \$35 for a \$4.80 seat behind the goal posts, the Philadelphia Record reported today.

Not many outsiders will attend the service classic at Municipal Stadium here Saturday. That is, the expected 105,000 persons who will jam-pack the giant oval will be members of the Army and Navy athletic associations, high Government officials, Congressmen, Philadelphia city officials, and their friends.

The Record said the ticket situation shaped up this way, quoting West Point and Annapolis sources:

"No tickets have been sold except to members of the Army Athletic Association and a few to Congressmen. We had to cut out the public sale of tickets because graduates returning from overseas who hadn't seen a game in years oversubscribed the tickets."—West Point.

"This isn't like a Penn-Navy game. This is a game between the Military Academy and the Naval Academy—and the services get tickets first."—Annapolis.

## PROPOSED INVESTIGATION OF COURT-MARTIAL SYSTEMS, PUNISHMENT, INCARCERATION, ETC., IN THE ARMED FORCES

Mr. BUTLER. Mr. President, what I am about to say I should like to have considered in connection with the remarks made by the distinguished junior Senator from Oregon [Mr. MORSE] and his colleague the distinguished senior Senator from Oregon [Mr. CORDON] on November 26, 1945, as set forth beginning on page 11159 of the CONGRESSIONAL RECORD, pertaining to the subject of a proposed investigation of court-martial systems, punishment, incarceration, and so forth, in the armed forces.

I have before me a portion of a letter which I have received from a very distinguished member of the bar of the State of Nebraska who has served as an officer in the Marine Corps. His letter contains suggestions which I believe will be pertinent to the subject. I ask unanimous consent that the letter be printed in the RECORD at this point as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

Recently the newspapers carried an article stating that congressional committees were to investigate the Navy court-martial system. Since the Marine Corps operates under the Navy in matters of this kind, is governed by the articles for the government of the Navy, and conducts its court-martial cases under the rules and regulations of Navy courts and boards, and since I have made a very definite study of the system and have spent months in that type of work, I thought perhaps you might appreciate some of my comments on the system.

First, it has been my opinion for the duration of my contact with Navy law that it falls to administer justice and also falls as a medium of enforcing discipline.

The only qualifications demanded of the judges in court-martial cases is that they be commissioned officers. In general court-martial cases the senior line officer is president of the court. The same is true in summary court cases. I saw lieutenant colonels, majors, colonels, captains—men who had absolutely no knowledge of law—sit as judges and sentence men to prison terms of 5, 10,

15, or more years in the Navy prisons. These officers were officers because they could fly airplanes, because they were skilled in military pursuits, but they had absolutely no qualifications as judges.

Navy Courts and Boards (the Navy law-book) provides that a defendant shall be entitled to service of counsel of his own choice, if available, and that if he wants counsel but has no special person in mind that the convening authority (the person ordering him tried) shall appoint an officer to defend him. A recreation officer, mess officer, athletic officer, or any other officer may be appointed. It is not required that the defendant be furnished a lawyer, and as a practical matter it frequently occurred that he was not furnished one.

There is a provision that a defendant (accused) may be held in jail awaiting trial and awaiting results of trial. I saw cases at Cherry Point where men were held for some 80 days awaiting trial, and then were acquitted. Others may be held prisoner at large (restricted to the base and not allowed "liberty") while waiting trial or sentence.

Bread-and-water punishment is still given, with full ration of food every third or fifth day, depending on the sentence.

There is no adequate provision for appeal of cases. As soon as the case is decided, it is executed (except in a very few instances), and the result is that a man may serve his 30 days on bread and water before the record has gone to the Judge Advocate General's office and been passed on there. The only review or procedure in the nature of an appeal is that all case records are forwarded to the JAG's office. No briefs are filed (except in rare cases), no oral argument on appeal is made.

In practice, I observed that when an attorney arrived on a base, he was appointed "legal officer" or "judge advocate (prosecuting attorney)." Attorneys were not assigned to defend cases. There is no "public defender" system set up. But, some enlisted men—privates or privates first class—who were attorneys, have been assigned to defend the men. Naturally, being enlisted men, they work under a distinct disadvantage, and they will leave the service as soon as possible. I have seen cases where both the prosecuting attorney, judges, and defense attorney, all were absolutely ignorant of the law. I personally, sat in on such cases, trying to guide them through the legal technicalities. It was a farce, and a disgrace to the country to permit a man to be tried under such circumstances. \* \* \* Captain Tredup, legal officer for this regiment and the regiment when set up as training-command regiment, had not graduated from law school, much less ever practiced law. He was a pleasant, hard-working young man, but not a lawyer. The present legal officer, who replaced Captain Tredup, is not an attorney.

It is my definite opinion that the entire system should be studied, and that the Articles for the Government of the Navy should be amended so as to provide some safeguards under which the men will be protected from the present abuses. The Navy has accepted a medical department, and it seems to me that the time has come for them to accept a real legal department. Judges deciding cases involving prison terms should be lawyers, or at least should have some lawyers among them. Prosecuting attorneys and defense attorneys should be lawyers—they should be men who had a few years of practice on the outside in the civil courts. Bread and water punishments should be outlawed—I do not see how it can be justified in these times. Confinement before trial should not be permitted in cases of minor violation of rules, or a limit on the time of confinement should be set. The enlisted men should be acquainted with their rights and should always be given the opportunity of having an attorney defend them.

Actually, the problem would be solved by setting up a real legal department, patterned after the medical set-up, if given the personnel and equipment and books; especially would this be true if the Articles for the Government of the Navy were amended so as to require the Navy to improve the system.

That about covers the court-martial comments.

## APPOINTMENT OF AMERICAN REPRESENTATIVES IN UNITED NATIONS ORGANIZATION

The Senate resumed the consideration of the bill (S. 1580) to provide for the appointment of representatives of the United States in the organs and agencies of the United Nations, and to make other provision with respect to the participation of the United States in such organization.

Mr. TAFT. Mr. President, yesterday I offered an amendment which I desire to discuss.

Mr. HILL. Mr. President, will the Senator yield to me to suggest the absence of a quorum?

Mr. TAFT. I yield.

Mr. HILL. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Austin	Hart	Overton
Ball	Hawkes	Radcliffe
Barkley	Hayden	Reed
Bilbo	Hickenlooper	Revercomb
Brewster	Hill	Robertson
Bridges	Hoey	Russell
Briggs	Huffman	Saltonstall
Brooks	Johnson, Colo.	Shipstead
Buck	Johnston, S. C.	Smith
Bushfield	Kilgore	Stanfill
Butler	Langer	Stewart
Byrd	Lucas	Taft
Capehart	McCarran	Taylor
Capper	McFarland	Thomas, Okla.
Carville	McKellar	Tobey
Chavez	McMahon	Tunnell
Connally	Magnuson	Tydings
Donnell	Maybank	Vandenberg
Eastland	Mead	Wagner
Ellender	Millikin	Walsh
Ferguson	Mitchell	Wheeler
Fulbright	Moore	Wherry
George	Morse	Wiley
Gerry	Murdock	Willis
Green	Myers	Wilson
Guffey	O'Daniel	Young
Gurney	O'Mahoney	

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] is absent because of illness.

The Senator from Florida [Mr. ANDREWS], the Senator from North Carolina [Mr. BAILEY], the Senator from Alabama [Mr. BANKHEAD], the Senator from California [Mr. DOWNEY], and the Senator from Utah [Mr. THOMAS] are necessarily absent.

The Senator from New Mexico [Mr. HATCH], the Senator from Arkansas [Mr. McCLELLAN] and the Senator from Montana [Mr. MURRAY] are detained on public business.

The Senator from Florida [Mr. PEPPER] is absent on official business.

Mr. WHERRY. The Senator from Oregon [Mr. CORDON] has been excused to attend hearings on sustained yield timber units on Oregon and California lands.

The Senator from Vermont [Mr. AIKEN] has been excused. He is necessarily absent.

Lee.

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nation, a leader of men who never sent a soldier where he was unwilling to go himself.

May God grant him a speedy recovery.

The SPEAKER. The time of the gentleman from Mississippi has expired.

#### EXTENSION OF REMARKS

Mr. MASON asked and was given permission to revise and extend his remarks and include therein an editorial.

#### ADMISSION TO THE UNITED STATES OF ALIEN SPOUSES

Mr. LESINSKI. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 4857) to expedite the admission to the United States of alien spouses and alien minor children of citizen members of the United States armed forces.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain the bill?

Mr. LESINSKI. Mr. Speaker, the purpose of this bill is to cut the red tape surrounding the law as it is today and expedite the admission to the United States of thousands of alien brides who were married to our soldiers while the latter were serving abroad in the armed forces of the United States during the Second World War. It also includes very few alien men who married our servicewomen as well as including the alien minor children. This bill provides that these alien relatives shall not be excluded from admission to the United States if they are found to be afflicted with physical or mental defects which would serve to debar them from permanent admission to the United States under the mandatory provisions of the law. That means you might have a case of a wife with a tubercular spot on her lungs. That wife does not waive examination on the other side, but is examined by immigration health officer and report made to board of health in locality wherever she goes and is supposed to be taken care of on this side.

Mr. MARTIN of Massachusetts. In other words, all this legislation does is to waive certain possible medical defects of wives of the GI's?

Mr. LESINSKI. That is all it does. But it expedites their admission to this country. Instead of making application on this side, all of the necessary filing of papers will be done on the other side. Therefore, the matter will be expedited in that way.

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.,* That notwithstanding any of the several clauses of section 3 of the act of February 5, 1917, excluding physically and mentally defective aliens, and notwithstanding the documentary requirements of any of the immigration laws or regulations, Executive orders, or Presidential proclamations issued thereunder, alien spouses or

alien children of United States citizens serving in, or having an honorable discharge certificate from the armed forces of the United States during the Second World War shall, if otherwise admissible under the immigration laws and if application for admission is made within 3 years of the effective date of this act, be admitted to the United States: *Provided*, That every alien of the foregoing description shall be medically examined at the time of arrival in accordance with the provisions of section 16 of the act of February 5, 1917, and if found suffering from any disability which would be the basis for a ground of exclusion except for the provision of this act, the Immigration and Naturalization Service shall forthwith notify the appropriate public medical officer of the local community to which the alien is destined: *Provided further*, That the provisions of this act shall not affect the duties of the United States Public Health Service so far as they relate to quarantinable diseases.

SEC. 2. Regardless of section 9 of the Immigration Act of 1924, any alien admitted under section 1 of this act shall be deemed to be a nonquota immigrant as defined in section 4 (a) of the Immigration Act of 1924.

SEC. 3. Any alien admitted under section 1 of this act who at any time returns to the United States after a temporary absence abroad shall not be excluded because of the disability or disabilities that existed at the time of that admission.

SEC. 4. No fine or penalty shall be imposed under the act of February 5, 1917, except those arising under section 14, because of the transportation to the United States of any alien admitted under this act.

SEC. 5. For the purpose of this act, the Second World War shall be deemed to have commenced on December 7, 1941, and to have ceased upon the termination of hostilities as declared by the President or by a joint resolution of Congress.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### PERMISSION TO ADDRESS THE HOUSE

Mr. McCORMACK. Mr. Speaker, the gentleman from New York [Mr. CELLER] and the gentleman from Tennessee [Mr. GORE] both have special orders to address the House for 30 minutes today. Having conferred with the gentleman from New York [Mr. CELLER], I ask unanimous consent that the order thereof be reversed.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. CELLER. Mr. Speaker, I ask unanimous consent that the special order I have for today be transferred to Wednesday.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

#### UNRRA APPROPRIATION

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent to take from the Speaker's table House Joint Resolution 266, making additional appropriations for the United Nations Relief and Rehabilitation Administration, with Senate amendments, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The Clerk read the title of the resolution.

The SPEAKER. Is there objection to the request of the gentleman from Missouri? [After a pause.] The Chair hears none, and appoints the following conferees: Mr. CANNON of Missouri, Mr. WOODRUM of Virginia, Mr. SNYDER, Mr. O'NEAL, Mr. RABAUT, Mr. JOHNSON of Oklahoma, Mr. TABER, Mr. WIGGLESWORTH, Mr. DIRKSEN, and Mr. ENGEL of Michigan.

#### RESCISSION BILL

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 4407, an act reducing certain appropriations and contract authorizations available for the fiscal year 1946, and for other purposes, with Senate amendments, insist on the disagreement of the House to the amendments of the Senate, and agree to the further conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri? [After a pause.] The Chair hears none, and appoints the following conferees: Mr. CANNON of Missouri, Mr. WOODRUM of Virginia, Mr. LUDLOW, Mr. SNYDER, Mr. O'NEAL, Mr. RABAUT, Mr. JOHNSON of Oklahoma, Mr. TABER, Mr. WIGGLESWORTH, Mr. DIRKSEN, and Mr. ENGEL of Michigan.

#### READJUSTMENT ALLOWANCE FOR ALL VETERANS OF WORLD WAR II

Mr. RANKIN submitted the following conference report and statement on the bill (H. R. 3749) to amend the Servicemen's Readjustment Act of 1944 to provide for a readjustment allowance for all veterans of World War II:

#### CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3749) to amend the Servicemen's Readjustment Act of 1944 to provide for a readjustment allowance for all veterans of World War II, having met, after full and free conference, have been unable to agree.

J. E. RANKIN,  
A. LEONARD ALLEN,  
JAMES DOMENGEAUX,  
EDITH NOURSE ROGERS,  
PAUL CUNNINGHAM,

*Managers on the Part of the House.*

WALTER F. GEORGE,  
TOM CONNALLY,  
EDWIN C. JOHNSON,  
ROBERT LA FOLLETTE,  
E. D. MILLIKIN,

*Managers on the Part of the Senate.*

#### STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3749) to amend the Servicemen's Readjustment Act of 1944 to provide for a readjustment allowance for all veterans of World War II, report that the conferees have been unable to agree.

J. E. RANKIN,  
A. LEONARD ALLEN,  
JAMES DOMENGEAUX,  
EDITH NOURSE ROGERS,  
PAUL CUNNINGHAM,

*Managers on the Part of the House.*

Mr. RANKIN. Mr. Speaker, I move that the House further insist on its disagreement to the amendment of the Senate to the bill (H. R. 3749), to amend



the Servicemen's Readjustment Act of 1944 to provide for a readjustment allowance for all veterans of World War II, and agree to the further conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi? [After a pause.] The Chair hears none, and appoints the following conferees: Mr. RANKIN, Mr. ALLEN of Louisiana, Mr. DOMENGEAUX, Mrs. ROGERS of Massachusetts, and Mr. CUNNINGHAM.

#### EXTENSION OF REMARKS

Mr. ANGELL asked and was given permission to extend his remarks in the RECORD and include a short article.

Mr. VURSELL asked and was given permission to extend his remarks in the RECORD and include two letters.

Mr. REED of New York asked and was given permission to extend his remarks in the RECORD and include a letter.

Mr. REED of New York asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. EDWIN ARTHUR HALL asked and was given permission to extend his remarks in the RECORD and include an article by Mr. Joseph Lieb, national director of AMVETS and a newspaper article.

Mr. MURDOCK asked and was given permission to extend his remarks in the RECORD on a bill which he introduced today.

Mr. LUDLOW asked and was given permission to extend his remarks in the RECORD and include a radio address by a constituent.

#### SPECIAL ORDER

Mr. DOYLE. Mr. Speaker, I ask unanimous consent that the special order I had to address the House today may be put over until Thursday.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

#### LEGION SAYS OPA RULES OPERATE AGAINST VETERANS

Mr. VURSELL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

[Mr. VURSELL addressed the House. His remarks appear in the Appendix of today's RECORD.]

#### RECORDING AND RELEASING OF LIENS ON MOTOR VEHICLES AND TRAILERS

Mr. RANDOLPH. Mr. Speaker, I call up the bill (S. 1212) to amend section 12 of the act entitled "An act to provide for the recording and releasing of liens by entries on certificates of title for motor vehicles and trailers, and for other purposes," approved July 2, 1940, and ask unanimous consent that it may be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

Mr. DIRKSEN. Mr. Speaker, reserving the right to object, I will ask the gentleman from West Virginia to make a short statement on the bill.

Mr. RANDOLPH. Mr. Speaker, this legislation has for its purpose the authorizing of a fee of not to exceed 50 cents for the releasing of liens on motor vehicles and trailers operating within the District of Columbia. At the present time we require a fee of 50 cents for the recording of the lien but not for the release. Most of the States require a fee for both recording and releasing. We believe that in the District of Columbia it is meritorious to have this small charge. It is not out of line with what the States are doing; in fact, it is smaller.

Mr. DIRKSEN. Mr. Speaker, will the gentleman yield?

Mr. RANDOLPH. I yield.

Mr. DIRKSEN. I may say it will make a very substantial addition to the revenues of the District of Columbia.

Mr. RANDOLPH. Yes; and the District revenues of necessity should be increased.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.,* That section 12 of the act entitled "An act to provide for the recording and releasing of liens by entries on certificates of title for motor vehicles and trailers, and for other purposes," approved July 2, 1940, is hereby amended to read:

"SEC. 12. The fee for recording liens or assignments or releases of liens upon a certificate shall not exceed the sum of 50 cents for each lien or assignment or release of lien on each automobile contained in the instrument."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

#### EFFECTUATING THE PURPOSES OF THE SERVICEMEN'S READJUSTMENT ACT OF 1944 IN THE DISTRICT OF COLUMBIA

Mr. RANDOLPH. Mr. Speaker, I call up the bill (S. 1152) to effectuate the purposes of the Servicemen's Readjustment Act of 1944 in the District of Columbia, and for other purposes, and ask unanimous consent that it may be considered in the House as in the Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

Mr. DIRKSEN. Mr. Speaker, reserving the right to object, I will ask the chairman of the committee to make a statement on this bill.

Mr. RANDOLPH. Mr. Speaker, the purposes of this proposed legislation, which has passed the Senate and which we have considered in the full Committee of the District of Columbia of the House, is to remove certain disabilities of those who are minors in the District of Columbia; and we would make a resident eligible for a guaranty of a loan under the Servicemen's Readjustment Act of 1944, and also the minor spouse, or the wife of such veteran, so as to enable these individuals to qualify for loan benefits paid under the national act, or to qualify for

any other or secondary loan made in conjunction with the act.

In the second place, we would authorize and provide for building and loan and savings and loan associations to invest in Government-approved veteran securities, and for other purposes.

Mr. DIRKSEN. Perhaps it ought to be said that this legal disability of infancy has already been removed in a dozen or more States, and such removal is contemplated in another half dozen States in the very near future.

Mr. RANDOLPH. The gentleman is correct; Arkansas, Connecticut, Kansas, Indiana, Kentucky, Pennsylvania, Arizona, Michigan, Georgia, and Wyoming have already passed such measures, and other States are proposing that similar action be taken.

Mr. EBERHARTER. Mr. Speaker, will the gentleman yield?

Mr. RANDOLPH. I yield.

Mr. EBERHARTER. The gentleman from West Virginia did not make any explanation of the provisions of this bill on page 2, starting with line 22, which authorizes any building and loan association to make unsecured loans for property alterations. That is general substantive law; in other words, it has no effect whatsoever, as far as I can see, with reference to veterans who are in their minority.

In other words, this is general legislation which I think should go to the Committee on Banking and Currency, inasmuch as it changes the general law with respect to loans, both secured and unsecured.

Mr. RANDOLPH. I may say in answer to the observation made by the gentleman from Pennsylvania that this measure came to the House District Committee after having been passed by the Senate of the United States, and we believe that as it now stands or is operative, the building and loan associations within the District, unlike other financial and lending institutions, would be able to make unsecured loans and loans which are junior to another mortgage under the Servicemen's Readjustment Act.

Mr. DIRKSEN. Replying to the gentleman from Pennsylvania, this applies only to the residents of the District of Columbia.

Mr. RANDOLPH. Of course, I suggested that at the beginning of the explanation.

Mr. EBERHARTER. The bill refers only to residents of the District of Columbia, but here, it seems to me, you are slipping in a measure which on its face appears to only refer to veterans of World War II who are in their minority, but this has a rider on an altogether different subject. This bill would permit secured or unsecured loans on property up to the amount of \$2,000, which would be a general change in the banking laws applying to the building and loan associations of the District of Columbia. I do not feel that this type of legislation should be passed unless there is really a hearing on the subject or unless there is a better explanation than has been made heretofore.

Mr. DIRKSEN. After all, it is within the province of any State or local jurisdiction to determine at what rates these can be made. That is not beyond the

AMENDMENTS TO SERVICEMEN'S READJUSTMENT ACT  
OF 1944

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DECEMBER 10, 1945.—Ordered to be printed

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Mr. RANKIN, from the committee of conference, submitted the  
following

REPORT

[To accompany H. R. 3749]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3749) to amend the Servicemen's Readjustment Act of 1944 to provide for a readjustment allowance for all veterans of World War II, having met, after full and free conference, have been unable to agree.

J. E. RANKIN,  
A. LEONARD ALLEN,  
JAMES DOMENGEAUX,  
EDITH NOURSE ROGERS,  
PAUL CUNNINGHAM,  
*Managers on the Part of the House.*

WALTER F. GEORGE,  
THOS. CONNALLY,  
ED C. JOHNSON,  
ROBT. LA FOLLETTE, Jr.,  
E. D. MILLIKIN,  
*Managers on the Part of the Senate.*



STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3749) to amend the Servicemen's Readjustment Act of 1944 to provide for a readjustment allowance for all veterans of World War II, report that the conferees have been unable to agree.

J. E. RANKIN,  
A. LEONARD ALLEN,  
JAMES DOMENGEAUX,  
EDITH NOURSE ROGERS,  
PAUL CUNNINGHAM,  
*Managers on the Part of the House.*







DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE  
(Issued December 18, 1945, for actions of Monday, December 17, 1945)

(For staff of the Department only)

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HIGHLIGHTS: House conferees appointed on 1st deficiency and full-employment bills. House passed bill to permit postponement of crop reports. House committee reported bill to liquidate rural-rehabilitation projects. House received conference report on bill to liberalize GI loans. Senate debated Federal pay and UNRRA authorization bills. President approved UNRRA-appropriation measure.

HOUSE

1. FIRST DEFICIENCY APPROPRIATION BILL, 1946. Reps. Cannon, Woodrum, Ludlow, Snyder, O'Neal, Rabaut, Johnson, Taber, Wigglesworth, Dirksen, and Engel were appointed conferees on this bill, H.R. 4805 (p. 12385). Senate conferees were appointed Dec. 15.
2. FULL \* EMPLOYMENT BILL. Reps. Manasco, Cochran, Whittington, Hoffman, and Bender were appointed conferees on this bill, S. 380 (p. 12380). Senate conferees were appointed Dec. 15.

GI BILL AMENDMENTS. Received the second conference report on this bill, H.R. 3749 (pp. 12380-5). As reported the bill increases to 10 years the time within which applications may be made for loans and provides that such applications be approved in advance by the Veterans' Administration; limits amortization on real estate loans to 25 years, except in the case of farm realty which shall be 40 years; and eliminates requirement for review of proposed regulations by the Senate Finance and House World War Veterans' Legislation Committees. (For other items see Digest 197.)

4. COTTON STATISTICS. Passed without amendment H.R. 4769, to permit postponement of crop reports when issue date falls on a non-work day (p. 12387).
5. RURAL REHABILITATION. The Agriculture Committee reported with amendments H.R. 2501, to authorize the Secretary of Agriculture to continue administration of and ultimately liquidate Federal rural rehabilitation projects (H. rep. 1453) (p. 12413).
6. FUR-BEARING ANIMALS. Passed over, on objection of Rep. Cole, N.Y., H.R. 2115, to transfer fur-bearing animal activities to this Department (p. 12389).

7. HOUSING; VETERANS. The Rules Committee reported a resolution for the consideration of S.J.Res. 122, to authorize additional appropriations to provide housing for veterans (p. 12385).
8. FORESTRY. Concurred in the Senate amendment to H.R. 608, to exclude certain land in Deschutes County, Oreg., from the provisions of R.S. 2319-37 so as to provide recreational areas (p. 12385). This bill will now be sent to the President.
9. PUBLIC LANDS. The Agriculture Committee reported without amendment H.R. 4319, to transfer FSA land and property in Limestone County to Tex. (H.Rept. 1454) (p. 12413).
10. PERSONNEL. Passed as reported S. 405, to amend the Civil Service Retirement Act so as to provide that an employee may elect to receive full credit for his military service toward retirement (pp. 12389-90).  
Passed over, at the request of Rep. Cole, N.Y., S. 102, to provide for counting military service of certain Legislative-Branch employees in determining eligibility for civil-service status under the Civil Service Classification Act (p. 12389).  
Passed as reported S. 576, to eliminate the 1-year time limit within which incumbents of positions covered into the classified service may be recommended for classification (p. 12390).  
Passed over, on objection of Rep. Barden, N.C., H.R. 1118, to amend the Hatch Act so as to authorize CSC to determine penalties for violation of such Act (p. 12390).  
Received CSC's draft of proposed legislation to grant additional basic authority to CSC. To Civil Service Committee. (p. 12412.)  
Received CSC's draft of proposed legislation to amend the "Act to prevent purchase and sale of public office." To Judiciary Committee. (p. 12413.)
11. UNO BILL. The Rules Committee reported a resolution for the consideration of this bill, S. 1580 (p. 12401). Rep. Stewart, Okla., spoke commending the SCS programs and their international importance (pp. 12405-7).
12. FEDERAL TRADE COMMISSION. Received FTC's report on resale price maintenance. To Interstate and Foreign Commerce Committee. (p. 12412.)
13. SURPLUS PROPERTY. Received State Department's draft of proposed legislation to amend the Surplus Property Act to designate that Department as disposal agency for surplus property outside the continental U.S. To Expenditures in the Executive Departments Committee. (p. 12412.)
14. CLAIMS. Passed over, on objection of Rep. Cole, N.Y., H.R. 181, to provide for adjustment of certain tort claims against the U.S. and confer jurisdiction in respect thereto on U.S. district courts (p. 12387).
15. RECLAMATION. Passed without amendment H.R. 1689, to authorize Interior to purchase improvements or pay damages for removal of improvements on U.S. lands on the Boise Reclamation Project (p. 12389).

SENATE

16. FEDERAL PAY BILL. Continued debate on this bill, S. 1415, to increase Federal salaries by 20% (pp. 12321-4, 12327-30). Sen. Downey, Calif., compared present Federal salaries with the increased cost of living.
17. UNRRA AUTHORIZATION. Began debate on H.R. 4649, to increase the appropriation authorization for UNRRA by \$1,350,000,000. (pp. 12335-44).



Honorable CLIFTON A. WOODRUM, whose qualities I have had opportunity to observe for more than 4 years. Soon I came to appreciate the great service Mr. WOODRUM was rendering to the Congress and to the Nation in the exercise of his splendid faculties to the welfare of the United States in trying times. I would not make comparisons, but I am compelled to give it as my opinion that we have lost, in his separation from congressional life, one of the most valuable members in that body. At all times he has been active, but at no time willing to impose his opinions in a thoughtless way.

Membership in this body has been with him a recognition of a duty, the privilege imposes. In addition to his splendid service as a faithful member of the Committee on Appropriations, he has, when occasion demanded his splendid abilities, met every responsibility of membership in the Congress of the United States. Oftentimes, in critical hours, when measures seemed to hang in the balance, I have seen him take the floor of the House and, fortified by the high esteem as to ability and honesty in which he is held by the membership, apparently turn the tide in favor of measures designed and required to meet the necessities of the hour and the occasion.

I am just grateful that circumstances did not call him from the service at an earlier time. In retrospective realization of the need for ability and honesty in the last 4 years, and in remembrance of the great service he has rendered during that time, I am minded to express thanks and appreciation that he remained with us until these crucial days had passed. We shall, nevertheless, miss his splendid service in the important but less crucial days to follow.

I entertain the hope that, notwithstanding his separation from immediate activities of the House of Representatives, we may have his advice and counsel in meeting the responsibilities yet devolving upon Members of the Congress. It must be true, also, that the recollection of the wise, faithful, and important service he has rendered will of itself aid us, who remain, in the performance of our duties as the days may require.

In conclusion, I wish to express to him my sincerest good wishes for his health, his happiness, and many successful years in the days to come.

Mr. McCORMACK. Mr. Speaker, I yield to the gentleman from Mississippi [Mr. WHITTINGTON].

Mr. WHITTINGTON. Mr. Speaker, I join with his colleagues in deserved tribute to the high quality of the public service rendered by my friend the distinguished gentleman from Virginia, Mr. WOODRUM. Personally, I regret that he is retiring from the House. The country can ill afford to lose the valuable public services of men of his ability.

Mr. WOODRUM possesses to an unusual degree the qualifications for successful legislative work. He is familiar with the science of government. He has an unusual personality and is an extraordinarily good public speaker. He not only has ability, but he has courage and independence. He is a man of conviction.

As a member of the Committee on Appropriations he has exerted a great stabilizing influence. The country owes him a debt of gratitude.

With his hosts of friends I join in wishing him much success in his new fields of endeavor. I repeat that I personally and keenly regret that Congress and the country are to lose his most efficient services, especially at this critical period in the history of our country.

Mr. McCORMACK. I yield to the gentleman from Kentucky [Mr. SPENCE].

Mr. SPENCE. Mr. Speaker, because of the admiration I have for him, I feel impelled to say a few words in tribute to our great colleague, CLIFTON A. WOODRUM. I was not closely associated with him. I served on no committee of which he was a member. But from the first day I served in the House, I recognized him as a man of great ability and of fine character who exercised a tremendous influence on his colleagues. In the 15 years I have been here he has continuously grown in stature until he is now unquestionably recognized as one of the truly great statesmen of our Nation.

His departure from the House is a tremendous loss not only to his State but to the Nation. A constituency with the good judgment to elect him would certainly have retained him in office as long as he desired, and I have no doubt of the great regret they feel at his departure from the House.

He has laid down the onerous duties of his office and has assumed a position in private enterprise where he can render service that will be inestimable to the farmers of our Nation. There is no doubt that the ability that distinguished him in public service will cause his rise to the most influential positions in his new field. The greatest reward of public service, that which brings more satisfaction to him who serves than anything else, is the respect and confidence and affectionate regard of his colleagues and the gratitude and friendship of his constituents. The demonstration of the respect in which CLIFTON WOODRUM is held by his colleagues leaves no doubt that he has that respect in a peculiar degree, and we know that his constituents whom he has served so long and faithfully will always hold him in the respect and confidence which he so richly deserves.

His name will be written high upon the list of great men who have served Virginia in the Congress of the United States. We can ill afford to lose his fine services, his sound judgment, and his good advice. We wish him health, happiness, and success in his new field.

Mr. McCORMACK. Mr. Speaker, I yield to the gentleman from Texas [Mr. LUTHER A. JOHNSON].

Mr. LUTHER A. JOHNSON. Mr. Speaker, I desire to join my colleagues in paying tribute to the distinguished gentleman from Virginia [Mr. WOODRUM], who is resigning from the House effective December 31, and who has just made a very able and eloquent address.

It has been my privilege and pleasure to serve continuously with him as a Member of the House since we both became Members at the same time, on

March 4, 1923. There were 117 new Members sworn in on that day, but only 7 of these now remain as Members of the House.

The gentleman from Virginia [Mr. WOODRUM] was regarded as an able Member from the very inception of his service here, but I have watched with pride his growth and development and influence until today he leaves the House, regarded by all as one of the ablest and most influential Members of the entire House membership. He has reached this pinnacle by reason of hard work, an able and brilliant mind and an eloquent and convincing speaker, but above all of these qualities, he has character, and the membership of the House believes in his honesty, integrity, and sincerity.

His place is going to be difficult to fill, and his district and the Nation lose one of the ablest legislators when CLIFF WOODRUM ceases to be a Member of the House.

I am sure that I voice not only my own sentiments, but that of the entire membership when I wish for him a long, happy, and prosperous life.

Mr. McCORMACK. I yield to the gentleman from Alabama [Mr. PATRICK].

Mr. PATRICK. Mr. Speaker, since I came to this Congress nothing has been more clear than the sentiment of this House today. The Members who make up the House of Representatives genuinely regret to see CLIFF WOODRUM pass from these halls and quit this body. But he will always be one of us. We feel his going keenly. We feel that we cannot afford to lose so valuable a Member. But he feels that we can get along and that the grand old State of Virginia can get along. Personally, I wish he had made up his mind to stick it out with us till we get by this hard pull. We are working out of our wargear into a peacetime economy and need our men who through the past years have learned where the pieces can safely be put together.

CLIFF WOODRUM has always stood as one of the tall men of this lawmaking department of the United States. He possesses ability, courage, energy, integrity, and perspicacity. These give to a man the respect of his fellows, always, but CLIFF WOODRUM has another quality. It is a genteel genuineness and warmth that made his fellows love him even above their high measure of respect. It is this that makes us gather in today and stay together to throw a few flowers after the lively carriage that conveys him to more profitable labors. Instead of selfishly bemoaning his going out and leaving us I ask you fellow Congressmen to join me in unselfishly wishing him every happiness in his new field for we know he will prove a worthy laborer. Few of us are here who have not wondered why we do not lose more of our most able from these Halls. Very few are on the floor of this House who could not make a great deal more in civil activities.

Well, he leaves with a friendly word. He tells us we can raise the pay of United States judges but they cannot raise ours.

Before I take my seat please let me call attention to one matter for which we should be truly thankful. To succeed



CLIFF WOODRUM as chairman of his important subcommittee stands the gentleman from Florida, the Honorable JOE HENDRICKS, a man of finest character, a man of ability and highest nobility of character. I talked today with CLIFF WOODRUM on this subject and he expressed his thoughts. I find the fact to be that his leaving this House is to him brightened by his confidence in his successor. I, for one, truly am happy that the work so well done by our departing colleague goes to capable and worthy hands.

So long, friend CLIFF, you are to be long remembered here for men of your stature throw a long shadow.

#### ANNOUNCEMENT

The SPEAKER. The Chair desires to announce that in view of the pressure of business today, there being the Consent Calendar, three suspensions, two messages from the President, and the desire to call up the United Nations Organization bill, the Chair cannot recognize Members to extend remarks until the legislative business of the day is disposed of.

#### EMPLOYMENT-PRODUCTION BILL SENT TO CONFERENCE

The SPEAKER. The Chair recognizes the gentleman from Alabama [Mr. MANASCO].

Mr. MANASCO. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill S. 380 to establish a national policy and program for assuring continuing full employment and full production in a free competitive economy, through the concerted efforts of industry, agriculture, labor, State and local governments, and the Federal Government, with a House amendment, insist on the House amendment, and agree to the conference requested by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Alabama? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. MANASCO, COCHRAN, WHITTINGTON, HOFFMAN, and BENDER.

#### AMENDMENT TO SERVICEMEN'S READJUSTMENT ACT OF 1944—CONFERENCE REPORT

Mr. RANKIN submitted the following conference report and statement on the bill (H. R. 3749) to amend the Servicemen's Readjustment Act of 1944 to provide for a readjustment allowance for all veterans of World War II:

#### CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3749) to amend the Servicemen's Readjustment Act of 1944 to provide for a readjustment allowance for all veterans of World War II, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "That the second sentence of section 100 of the Servicemen's Readjustment Act of 1944, as amended, is

amended to read as follows: 'The Administrator is authorized, for the purpose of extending benefits to veterans and dependents, and to the extent he deems necessary, to procure the necessary space for administrative, clinical, medical, and out-patient treatment purposes by lease, purchase, or construction of buildings, or by condemnation or declaration of taking, pursuant to existing statutes.'

"Sec. 2. Section 104 of the Servicemen's Readjustment Act of 1944, as amended, is amended by striking out the second paragraph thereof and inserting in lieu thereof the following:

"Any veteran entitled to a prosthetic appliance shall be furnished such fitting and training, including institutional training, in the use of such appliance as may be necessary, whether in a Veterans' Administration facility, other training institution, or by out-patient treatment, including such service under contract and including necessary travel expenses to and from their homes to such hospital or training institution.

"The Administrator may procure any and all items mentioned herein, including necessary services required in the fitting, supplying, and training in use of such items by purchase, manufacture, contract, or in such other manner as the Administrator may determine to be proper without regard to any other provision of law.'

"Sec. 3. Section 200 of the Servicemen's Readjustment Act of 1944, as amended, is amended by adding at the end thereof the following new subsection:

"(c) The Administrator is further authorized at his discretion and under such regulations as he may prescribe to furnish, if available, necessary space and suitable office facilities for the use of paid full-time representatives of such organizations.'

"Sec. 4. Section 302 (a) of the Servicemen's Readjustment Act of 1944, as amended, is amended to read as follows:

"Sec. 302. (a) The Secretary of War, the Secretary of the Navy, and the Secretary of the Treasury are authorized and directed to establish, from time to time, boards of review composed of five commissioned officers, two of whom shall be selected from the Medical Corps of the Army or Navy, or from the Public Health Service, as the case may be. It shall be the duty of any such board to review, at the request of any officer retired or released from active service, without pay, for physical disability pursuant to the decision of a retiring board, board of medical survey, or disposition board, the findings and decisions of such board. Such review shall be based upon all available service records relating to the officer requesting such review, and such other evidence as may be presented by such officer. Witnesses shall be permitted to present testimony either in person or by affidavit, and the officer requesting review shall be allowed to appear before such board of review in person or by counsel. In carrying out its duties under this section such board of review shall have the same powers as exercised by, or vested in, the board whose findings and decision are being reviewed. The proceedings and decision of each such board of review affirming or reversing the decision of any such retiring board, board of medical survey, or disposition board shall be transmitted to the Secretary of War, the Secretary of the Navy, or the Secretary of the Treasury, as the case may be, and shall be laid by him before the President for his approval or disapproval and orders in the case.'

"Sec. 5. (a) Paragraph 1 of part VIII of Veterans Regulation Numbered 1 (a), as amended, is amended to read as follows:

"1. Any person who served in the active military or naval service on or after September 16, 1940, and prior to the termination of the present war, and who shall have been discharged or released therefrom under con-

ditions other than dishonorable, and who either shall have served ninety days or more, exclusive of any period he was assigned for a course of education or training under the Army specialized training program or the Navy college training program, which course was a continuation of his civilian course and was pursued to completion, or as a cadet or midshipman at one of the service academies, or shall have been discharged or released from active service by reason of an actual service-incurred injury or disability, shall be eligible for and entitled to receive education or training under this part: *Provided*, That such course shall be initiated not later than four years after either the date of his discharge or the termination of the present war, whichever is the later: *Provided further*, That no such education or training shall be afforded beyond nine years after the termination of the present war.'

"(b) Paragraph 2 of part VIII of such Regulation is amended to read as follows:

"2. Any such eligible person shall be entitled to education or training at an approved educational or training institution for a period of one year plus the time such person was in the active service on or after September 16, 1940, and before the termination of the war, exclusive of any period he was assigned for a course of education or training under the Army specialized training program or the Navy college training program, which course was a continuation of his civilian course and was pursued to completion, or as a cadet or midshipman at one of the service academies, but in no event shall the total period of education or training exceed four years: *Provided*, That his work continues to be satisfactory throughout the period, according to the regularly prescribed standards and practices of the institution: *Provided further*, That wherever the period of eligibility ends during a quarter or semester and after a major part of such quarter or semester has expired, such period shall be extended to the termination of such unexpired quarter or semester.'

"(c) Paragraph 3 of part VIII of such Regulation is amended to read as follows:

"3. (a) Such person shall be eligible for and entitled to such course of education or training, full time or the equivalent thereof in part-time training, as he may elect, and at any approved educational or training institution at which he chooses to enroll, whether or not located in the State in which he resides, which will accept or retain him as a student or trainee in any field or branch of knowledge which such institution finds him qualified to undertake or pursue: *Provided*, That, for reasons satisfactory to the Administrator, he may change a course of instruction: *And provided further*, That any such course of education or training may be discontinued at any time, if it is found by the Administrator that, according to the regularly prescribed standards and practices of the institution, the conduct or progress of such person is unsatisfactory.

"(b) Any such eligible person may apply for a short, intensive post-graduate, or training course of less than thirty weeks: *Provided*, That the Administrator shall have the authority to contract with approved institutions for such courses if he finds that the agreed cost of such courses is reasonable and fair: *Provided further*, That (1) the limitation of paragraph 5 shall not prevent the payment of such agreed rates, but there shall be charged against the veteran's period of eligibility the proportion of an ordinary school year which the cost of the course bears to \$500, and (2) not in excess of \$500 shall be paid for any such course.

"(c) Any such eligible person may apply for a course of instruction by correspondence without any subsistence allowance: *Provided*, That the Administrator shall have authority to contract with approved institutions for such courses if he finds that the agreed cost of such courses is reasonable and fair: *Provided further*, (1) That the pro-



visions of paragraph 5 shall not apply to correspondence courses; (2) that one-fourth of the elapsed time in following such course shall be charged against the veteran's period of eligibility; and (3) that the total amount payable for a correspondence course or courses for any veteran shall not exceed \$500; *And provided further*, That nothing herein shall be construed to preclude the use of approved correspondence courses as a part of institutional or job training, subject to regulations prescribed by the Administrator.'

"(d) Paragraph 5 of part VIII of such Regulation is amended to read as follows:

"5. The Administrator shall pay to the educational or training institution, for each person enrolled in full time or part time course of education or training, the customary cost of tuition, and such laboratory, library, health, infirmary, and other similar fees as are customarily charged, and may pay for books, supplies, equipment, and other necessary expenses, exclusive of board, lodging, other living expenses, and travel, as are generally required for the successful pursuit and completion of the course by other students in the institution: *Provided*, That in no event shall such payments, with respect to any person, exceed \$500 for an ordinary school year unless the veteran elects to have such customary charges paid in excess of such limitation, in which event there shall be charged against his period of eligibility the proportion of an ordinary school year which such excess bears to \$500: *Provided further*, That no payments shall be made to institutions, business or other establishments furnishing apprentice training on the job: *And provided further*, That any institution may apply to the Administrator for an adjustment of tuition and the Administrator, if he finds that the customary tuition charges are insufficient to permit the institution to furnish education or training to eligible veterans, or inadequate compensation therefor, may provide for the payment of such fair and reasonable compensation as will not exceed the estimated cost of teaching personnel and supplies for instruction; and may in like manner readjust such payments from time to time.'

"(e) Effective on the first day of the first calendar month subsequent to the date of enactment of this Act, the first sentence of paragraph 6 of part VIII of such Regulation is amended to read as follows:

"6. While enrolled in and pursuing a course under this part, such person, upon application to the Administrator, shall be paid a subsistence allowance of \$65 per month, if without a dependent or dependents, or \$90 per month, if he has a dependent or dependents, including regular holidays and leave not exceeding thirty days in a calendar year.'

"(f) Paragraph 7 of part VIII of such Regulation is amended to read as follows:

"7. Any such person eligible for the benefits of this part, who is also eligible for the benefit of part VII, may elect either benefit or may be provided an approved combination of such courses: *Provided*, That the total period of any such combined courses shall not exceed the maximum period or limitations under the part affording the greater period of eligibility.'

"SEC. 6. Section 4 of Public Law Numbered 16, Seventy-eighth Congress, as added by section 402 of the Servicemen's Readjustment Act of 1944, is amended by striking out the period at the end thereof and inserting in lieu thereof a colon and the following: 'Provided further, That returned books, supplies, or equipment may be turned in to educational or training institutions for credit under such terms as may be approved by the Administrator, or disposed of in such other manner as may be approved by the Administrator.'

"SEC. 7. (a) The proviso in paragraph 1 of part VII of Veterans Regulation Numbered 1 (a), as amended, is amended to read as fol-

lows: 'Provided, That no course of training in excess of a period of four years shall be approved except with the approval of the Administrator, nor shall any training under this part be afforded beyond nine years after the termination of the present war.'

"(b) Effective on the first day of the first calendar month subsequent to the date of enactment of this Act, paragraph 3 of part VII of Veterans Regulation Numbered 1 (a), as amended, is amended to read as follows:

"3. While pursuing training prescribed herein, and for two months after his employability is determined, each veteran shall be paid the amount of subsistence allowance specified in paragraph 6 of part VIII of Veterans Regulation Numbered 1 (a), as amended: *Provided*, That the minimum payment of such allowance, plus any pension or other benefit, shall be, for a person without a dependent, \$105 per month; and for a person with a dependent, \$115, plus the following amounts for additional dependents: (1) \$10 for one child and \$7 additional for each additional child, and (2) \$15 for a dependent parent: *Provided further*, That the rates set out herein shall not be subject to the increases authorized by Public Law Numbered 312, Seventy-eighth Congress, approved May 27, 1944: *And provided further*, That when the course of vocational rehabilitation furnished to any person as herein provided consists of training on the job by an employer, such employer shall be required to submit monthly to the Administrator a statement in writing showing any wage, compensation, or other income paid by him to such person during the month, directly or indirectly, and based upon such written statements, the Administrator is authorized to reduce the subsistence allowance of such person to an amount considered equitable and just.'

"SEC. 8. Title III of the Servicemen's Readjustment Act of 1944, as amended, is amended to read as follows:

"TITLE III—LOANS FOR THE PURCHASE OR CONSTRUCTION OF HOMES, FARMS, AND BUSINESS PROPERTY

"Chapter V—General provisions for loans

"SEC. 500. (a) Any person who shall have served in the active military or naval service of the United States at any time on or after September 16, 1940, and prior to the termination of the present war and who shall have been discharged or released therefrom under conditions other than dishonorable after active service of ninety days or more, or by reason of an injury or disability incurred in service in line of duty, shall be eligible for the benefits of this title. Any loan made by such veteran within ten years after the termination of the war for any of the purposes, and in compliance with the provisions, specified in this title, is automatically guaranteed by the Government by this title in an amount not exceeding fifty per centum of the loan: *Provided*, That the aggregate amount guaranteed shall not exceed \$2,000 in the case of non-real-estate loans, nor \$4,000 in the case of real-estate loans; or a prorated portion thereof on loans of both types or combination thereof.

"(b) Loans guaranteed under this title shall be payable under such terms and conditions as may be agreed upon by the parties thereto, subject to the conditions and limitations of this title and the regulations issued pursuant to section 504: *Provided*, That the liability under the guaranty within the limitations of this title shall decrease or increase pro rata with any decrease or increase of the amount of the unpaid portion of the obligation: *Provided further*, That loans guaranteed under this title shall bear interest at a rate not exceeding four per centum per annum and shall be payable in full in not more than twenty-five years, or in the case of loans on farm realty in not more than forty years: *And provided further*, That (1) the maturity on a non-real-estate loan shall not exceed ten years; (2) any

loan for a term in excess of five years shall be amortized in accordance with established procedure; (3) except as provided in section 505 any real-estate loan, other than for repairs, alterations or improvements, shall be secured by a first lien on the realty, and a non-real-estate loan, except as to working or other capital, merchandise, good-will and other intangible assets, shall be secured by personalty to the extent legal and practicable.

"(c) An honorable discharge shall be deemed a certificate of eligibility to apply for a guaranteed loan. Any veteran who does not have a discharge certificate, or who received a discharge other than honorable, may apply to the Administrator for a certificate of eligibility. Upon making a loan as provided herein, the lender shall forthwith transmit to the Administrator a statement setting forth the full name and serial number of the veteran, amount and terms of the loan, and the legal description of the property, together with the appraisal report made by the designated appraiser. Where the loan is automatically guaranteed, the Administrator shall provide the lender with a loan guaranty certificate or other evidence of the guaranty. He shall also endorse on the veteran's discharge, or eligibility certificate, the amount and type of guaranty used, and the amount, if any, remaining. An amount equivalent to four per centum on the amount originally guaranteed shall be paid to the lender by the Administrator out of available appropriations, to be credited upon the loan. Nothing herein shall be deemed to preclude the assignment of any guaranteed loan nor the assignment of the security therefor.

"(d) Loans guaranteed hereunder may be made by any Federal land bank, national bank, state bank, private bank, building and loan association, insurance company, credit union, or mortgage and loan company, that is subject to examination and supervision by an agency of the United States or of any State or Territory, including the District of Columbia. Any loan at least twenty per centum of which is guaranteed under this title may be made by any national bank, or Federal savings and loan association; or by any bank, trust company, building and loan association or insurance company organized or authorized to do business in the District of Columbia; without regard to the limitations and restrictions of any other statute with respect to—

"(1) ratio of amount of loan to the value of the property;

"(2) maturity of loan;

"(3) requirement for mortgage or other security;

"(4) dignity of lien; or

"(5) percentage of assets which may be invested in real estate loans.

"(e) Any loan proposed to be made to an eligible veteran by any lender not of a class specified in subsection (d) may be guaranteed by the Administrator if he finds that it is in accord otherwise with the provisions of this title, as amended.

"Purchase or Construction of Homes

"SEC. 501. Any loan made to a veteran under this title, the proceeds of which are to be used for purchasing residential property or constructing a dwelling to be occupied as his home or for the purpose of making repairs, alterations, or improvements in property owned by him and occupied as his home, is automatically guaranteed if made pursuant to the provisions of this title, including the following:

"(1) That the proceeds of such loan will be used for payment of the property purchased or constructed or improved;

"(2) That the contemplated terms of payment required in any mortgage to be given in part payment of the purchase price or the construction cost bear a proper relation to the veteran's present and anticipated income and expenses; and that the nature and condi-



tion of the property is such as to be suitable for dwelling purposes; and

"(3) That the price paid or to be paid by the veteran for such property or for the cost of construction, repairs, or alterations does not exceed the reasonable value thereof as determined by proper appraisal made by an appraiser designated by the Administrator.

#### "Purchase of Farms and Farm Equipment

"SEC. 502. Any loan made to a veteran under this title, the proceeds of which are to be used for purchasing any lands, buildings, livestock, equipment, machinery, supplies or implements, or for repairing, altering, constructing or improving any land, equipment, or building, including the farmhouse, to be used in farming operation conducted by the veteran involving production in excess of his own needs, or for working capital requirements necessary for such operations, or to purchase stock in a cooperative association where the purchase of such stock is required by Federal statute as an incident to obtaining the loan, is automatically guaranteed if made pursuant to the provisions of this title, including the following:

"(1) That the proceeds of such loan will be used for any such purposes in connection with bona fide farming operations conducted by the applicant;

"(2) That such property will be useful in and reasonably necessary for efficiently conducting such operations;

"(3) That the ability and experience of the veteran, and the nature of the proposed farming operations to be conducted by him, are such that there is a reasonable likelihood that such operations will be successful; and

"(4) That the purchase price paid or to be paid by the veteran for such property does not exceed the reasonable value thereof as determined by proper appraisal made by an appraiser designated by the Administrator.

#### "Purchase of Business Property

"SEC. 503. Any loan made to a veteran under this title, the proceeds of which are to be used for the purpose of engaging in business or pursuing a gainful occupation, or for the cost of acquiring for such purpose land, buildings, supplies, equipment, machinery, tools, inventory, stock in trade, or for the cost of the construction, repair, alteration or improvement of any realty or personalty used for such purpose, or to provide the funds needed for working capital is automatically guaranteed if made pursuant to the provisions of this title, including the following:

"(1) That the proceeds of such loan will be used for any of the specified purposes in connection with bona fide pursuit of gainful occupation by the veteran;

"(2) That such property will be used in and reasonably necessary for the efficient and successful pursuit of such business or occupation;

"(3) That the ability and experience of the veteran, and the conditions under which he proposes to pursue such business or occupation, are such that there is a reasonable likelihood that he will be successful in the pursuit of such business or occupation; and

"(4) That the purchase price paid or to be paid by the veteran for such property, or the cost of such construction, alterations, or improvements, does not exceed the reasonable value thereof as determined by proper appraisal made by an appraiser designated by the Administrator.

#### "Regulations

"SEC. 504. The Administrator is authorized to promulgate such rules and regulations not inconsistent with this title, as amended, as are necessary and appropriate for carrying out the provisions of this title, and may delegate to subordinate employees authority to issue certificates, or other evidence, of guaranty of loans guaranteed under the provisions of this title, and to exercise other administrative functions hereunder.

#### "Secondary Loans

"SEC. 505. (a) In any case wherein a principal loan, for any of the purposes stated in section 501, 502, or 503, is approved by a Federal agency to be made or guaranteed or insured by it pursuant to applicable law and regulations, and the veteran is in need of a second loan to cover the remainder of the purchase price or cost, or a part thereof, the Administrator, subject otherwise to the provisions of this title, may guarantee the full amount of the second loan: *Provided*, That such second loan shall not exceed 20 per centum of the purchase price or cost: *And provided further*, That regulations to be promulgated jointly by the Administrator and the head of such agency may provide for servicing of both loans by such agency and for refinancing of the principal loan to include any unpaid portion of the secondary loan with accrued interest, if any, after the curtailment thereon equals twice the amount of the secondary loan.

"(b) Any person who is a veteran eligible for the benefits of this title, as provided in section 500 hereof, and who is found by the Secretary of Agriculture, by reason of his ability and experience, including training as a vocational trainee, to be likely to carry out successfully undertakings required of him under a loan which may be made under the Bankhead-Jones Farm Tenant Act, shall be eligible for the benefits of such Act to the same extent as if he were a farm tenant.

#### "Procedure on Default

"SEC. 506. In the event of default in the payment of any loan guaranteed under this title, the holder of the obligation shall notify the Administrator who shall thereupon pay to such holder the guaranty not in excess of the pro rata portion of the amount originally guaranteed, and shall be subrogated to the rights of the holder of the obligation to the extent of the amount paid on the guaranty: *Provided*, That prior to suit or foreclosure the holder of the obligation shall notify the Administrator of the default, and within thirty days thereafter the Administrator may, at his option, pay the holder of the obligation the unpaid balance of the obligation plus accrued interest and receive an assignment of the loan and security: *Provided further*, That (1) nothing herein shall be construed to preclude any forbearance for the benefit of the veteran as may be agreed upon by the parties to the loan and approved by the Administrator; and (2) the Administrator may establish the date, not later than the date of judgment and decree of foreclosure or sale, upon which accrual of interest or charges shall cease.

#### "Loans on Delinquent Indebtedness

"SEC. 507. Any loan made to a veteran, the proceeds of which are to be used to refinance any indebtedness of the veteran which is secured of record on property to be used or occupied by the veteran as a home or for farming purposes, or indebtedness incurred by him in the pursuit of a gainful occupation which he is pursuing or which he proposes in good faith to pursue, or any delinquent taxes or assessments on such property or business, is automatically guaranteed if made pursuant to the provisions of this title, including the following:

"(1) Such loan became in default or the delinquency occurred not later than ten years after the termination of the war;

"(2) Such refinancing will aid the veteran in his economic readjustment; and

"(3) The amount of the guaranteed loan does not exceed the reasonable value of the property or business, as determined by proper appraisal made by an appraiser designated by the Administrator.

#### "Insurance of Loans

"SEC. 508. (a) Any loans which might be guaranteed under the provisions of this title, when made or purchased by any financial institution subject to examination and supervision by an agency of the United States or

of any State or Territory, including the District of Columbia, may, in lieu of such guaranty, be insured by the Administrator under an agreement whereby he will reimburse any such institution for losses incurred on such loan up to 15 per centum of the aggregate of loans so made or purchased by it.

"(b) Loans insured hereunder shall be made on such other terms, conditions, and restrictions as the Administrator may prescribe within the limitations set forth in this title. The Administrator may fix the maximum rate of interest payable on any class of non-real-estate loans insured hereunder at a figure not in excess of a 3 per centum discount rate or an equivalent straight interest rate on nonamortized loans.

"(c) The Administrator shall pay the same amount on each loan insured hereunder as he would be required to pay under the sixth sentence of section 500 (c) hereof if the loan were guaranteed rather than insured.

#### "Powers of Administrator

"SEC. 509. (a) With respect to matters arising by reason of this title as now or hereafter amended and, notwithstanding the provisions of any other law, the Administrator may—

"(1) Sue and be sued in his official capacity in any court of competent jurisdiction, State or Federal;

"(2) Subject to specific limitations in this Act, consent to the modification, with respect to rate of interest, time of payment of principal or interest or any portion thereof, security or other provisions of any note, contract, mortgage or other instrument securing a loan which has been guaranteed or insured hereunder;

"(3) Pay, or compromise, any claim, on or arising because of, any such guaranty or insurance;

"(4) Pay, compromise, waive or release any right, title, claim, lien or demand, however, acquired, including any equity or any right of redemption;

"(5) Purchase at any sale, public or private, upon such terms and for such prices as he determines to be reasonable, and take title to, property, real, personal or mixed; and similarly sell, at public or private sale, exchange, assign, convey, or otherwise dispose of any such property; and

"(6) Complete, administer, operate, obtain and pay for insurance on, and maintain, renovate, repair, modernize, lease, or otherwise deal with any property acquired or held pursuant to this title: *Provided*, That the acquisition of any such property shall not deprive any State or political subdivision thereof of its civil or criminal jurisdiction of, on, or over such property (including power to tax) or impair the rights under the State or local law of any persons on such property.

"(b) The powers by this section granted may be exercised by the Administrator without regard to any other provisions of law not enacted expressly in limitation hereof, which otherwise would govern the expenditure of public funds: *Provided*, That section 3709 of the Revised Statutes shall apply to any contract for services or supplies on account of any property acquired pursuant to this section if the amount of such contract exceeds \$1,000.

"(c) The financial transactions of the Administrator incident to, or arising out of, the guaranty of loans pursuant to this title, and the acquisition, management, and disposition of property, real, personal or mixed, as incident to such activities and pursuant to this section, shall be final and conclusive upon all officers of the Government.

#### "Effective Date

"SEC. 510. This title, as amended, shall be effective from the date of enactment: *Provided*, That any application for guaranty of a loan filed within ninety days after such date may be approved under the title as it existed



prior to amendment: *And provided further*, That nothing herein shall be construed to affect any contractual right under any certificate of guaranty issued thereunder.'

"SEC. 9. Section 1505 of the Servicemen's Readjustment Act of 1944, as amended, is hereby repealed.

"SEC. 10. Title VI of the Servicemen's Readjustment Act of 1944, as amended, is amended by adding at the end thereof the following new sections:

"SEC. 1506. Persons who served in the active military or naval service of any government allied with the United States in World War II and who at time of entrance into such active service were citizens of the United States shall, by virtue of such service, and if otherwise qualified, be entitled to the benefits of titles II, III, IV, and V of this Act or of Public Law 16, Seventy-eighth Congress, in the same manner and to the same extent as persons who served in the active military or naval service of the United States: *Provided*, That any such benefit shall not be extended to any person who is not a resident of the United States at time of filing claim or to any person who has applied for and received the same or similar benefit from the government of the nation in whose active military or naval service he served.

"SEC. 1507. Notwithstanding the provisions of section 1503, any person while on terminal leave, or while hospitalized pending final discharge, may be afforded the benefits of titles II and III of this Act, or vocational rehabilitation training under Public Law 16, Seventy-eighth Congress, as amended, subject to all conditions thereof except actual discharge: *Provided*, That no subsistence allowance shall be paid in such cases under title II of this Act or Public Law 16, Seventy-eighth Congress. This section shall be effective from June 22, 1944."

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill, and agree to the same.

J. E. RANKIN,  
A. LEONARD ALLEN,  
JAMES DOMENGEAUX,  
EDITH NOURSE ROGERS,  
PAUL CUNNINGHAM,

*Managers on the Part of the House.*

WALTER F. GEORGE,  
TOM CONNALLY,  
ED C. JOHNSON,  
ROBERT M. LA FOLLETTE, Jr.,  
E. D. MILLIKIN,

*Managers on the Part of the Senate.*

#### STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3749) to amend the Servicemen's Readjustment Act of 1944 to provide for a readjustment allowance for all veterans of World War II, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate amendment to the text of the bill strikes out all of the House bill after the enacting clause. The committee of conference recommends that the House recede from its disagreement to the amendment of the Senate, with an amendment which is a substitute for both the House bill and the Senate amendment, and that the Senate agree to the same.

The substantial differences between the House amendment and the proposed conference substitute are noted in the following statement.

#### PROCEDURE

The House bill provided that the Veterans' Administration should have the same authority and discretion as the War and Navy Departments and the United States Public Health Service in the appointment of civil-

service personnel, and provided that the provisions of section 100 of the Servicemen's Readjustment Act of 1944 as to priorities for materials should apply to any State institutions to be built for the care or hospitalization of veterans. The bill as agreed to in conference omits this provision.

The Senate amendment amends section 100 of the Servicemen's Readjustment Act so as to make permanent the authority of the Administrator under that section to procure necessary space for administrative, clinical, medical, and out-patient treatment purposes, by lease, purchase, or construction of buildings, or by condemnation or declaration of taking. Under existing law this authority is limited to the present war and 6 months thereafter. The House bill omitted this authority entirely. The bill as agreed to in conference includes the Senate provision.

The House bill liberalized the provisions of section 104 of the Servicemen's Readjustment Act to insure ample authority governing the procurement of prosthetic appliances and services in connection therewith to disabled veterans, including necessary travel expenses. There is no corresponding provision in the Senate amendment. The bill as agreed to in conference retains the House provision.

The Senate amendment contains a provision amending section 200 of the Servicemen's Readjustment Act to authorize the Administrator at his discretion to furnish necessary space, suitable office facilities and stenographic assistance for the use of paid full-time representatives of veterans' organizations, with reimbursement on an actual cost basis. The section as agreed to in conference authorizes the Administrator, in his discretion, to furnish space and office facilities, if available, but omits the requirement for reimbursement.

Section 392 of the Servicemen's Readjustment Act was amended in the House bill to permit review boards to review action of boards of medical survey. The Senate amendment adds authority to review findings and decisions of disposition boards. Both of these amendments are retained in the conference agreement.

#### EDUCATION AND TRAINING

The Senate amendment eliminates the requirement in the law that veterans show that education was interrupted by service; retains the provision in the House bill that extended the time from 2 to 4 years to initiate a course and the time within which education or training may be afforded from 7 to 9 years after the termination of the war; and strikes out the 25-year-age limitation on presumption of interruption of education. The bill as agreed to in conference retains the Senate changes.

The Senate amendment strikes out the references in the law to a refresher or retraining course and in effect provides that the veteran will be afforded approved education or training for a period of 1 year plus the time he was in active service, not to exceed a total of 4 years. The bill as agreed to in conference contains this amendment.

Both the House bill and the Senate amendment contain provisions authorizing short intensive courses under contracts with approved institutions. The Senate amendment, however, strikes out the word "vocational" limiting the training courses provided for and the conference agreement also omits this limitation. It is also made clear that the cost of any such course may not exceed \$500.

Both the House bill and the Senate amendment provided for instruction by correspondence courses. The House bill added correspondence schools to the list of approved institutions but provided that the Government should pay for these correspondence courses quarterly as the course is completed and that no correspondence school should be approved unless it was already in exist-

ence. The Senate amendment provides for instruction by correspondence courses subject to contracts as to rates, charging one-fourth of the elapsed time used in following such courses against the veterans' period of eligibility; and further limits the total amount payable for a correspondence course or courses to \$500. Both the House bill and the Senate amendment precluded payment of subsistence allowance while pursuing a correspondence course. The bill as agreed to in conference follows the Senate provision.

The Senate amendment amends existing law to permit the Administrator to make an adjustment of fees in the case of public institutions if he finds that customary charges are insufficient to permit the furnishing of education or training to eligible veterans, by agreement with each institution on an over-all plan and based on a showing of need of assistance to meet the educational demands under the Federal program. The bill as agreed to in conference retains the Senate provision, with an amendment permitting the estimated cost to be fixed (by regulation if desirable) instead of the actual cost (only by agreement) and further permitting a veteran to elect to foreshorten his period of eligibility by having all customary charges in excess of \$500 paid.

The House bill increased subsistence allowances from \$50 to \$60 per month in the case of veterans without dependents and from \$75 to \$85 per month in the case of veterans with dependents. The Senate amendment increases these amounts to \$65 and \$90, respectively. The Senate rates are retained in the conference agreement.

The Senate amendment provides for approved combination of courses under part VIII (education and training) and part VII (vocational rehabilitation) of Veterans Regulation No. 1 (a), with the proviso that the total period of combined courses must not exceed the maximum period or limitations under the part affording the greater period of eligibility. This provision is included in the bill as agreed to in conference.

The Senate amendment adds a proviso to section 4 of Public Law 16, Seventy-eighth Congress, which was added by section 402 of the Servicemen's Readjustment Act, authorizing the release of returned books, supplies, or equipment to educational or training institutions for credit, or the disposition thereof otherwise, without regard to limitations on disposition of surplus property generally. The conference agreement retains this provision.

The Senate amendment permits the Administrator to approve courses under Public Law 16, relating to vocational rehabilitation, beyond the 4-year period fixed in existing law and also extended from 6 to 9 years after the end of the war the time within which training may be furnished, to conform to the amendments made in part VIII. These provisions are retained in the bill as agreed to in conference.

The Senate amendment contains an amendment revising paragraph 3 of part VII of Veterans Regulation No. 1 (a), as amended (Public Law 16, 78th Cong.) to provide that the disabled veteran, while pursuing training and for 2 months after his employability is determined, will be paid the amount of subsistence allowance specified in paragraph 6 of part VIII, Veterans Regulation No. 1 (a), as amended (the education provisions). It establishes a minimum rate of \$105 for a veteran without dependents, \$115 with a dependent, and \$10 additional for a child and \$7 for each additional child and \$15 for a dependent parent. Under existing law, while a veteran may receive additional pension while pursuing a course of training, the amount payable cannot exceed the rates for total temporary disability. The effect of the amendment is to permit the disabled veteran to receive subsistence allowances at the sums payable under part VIII relating



to education and training plus whatever pension he is entitled to under existing law, but with a prescribed minimum, to protect the disabled veterans with a low rate of pension. The bill as agreed to in conference retains this amendment.

#### LOAN PROVISIONS

The House bill extensively revised title III of the Servicemen's Readjustment Act. It extended the time within which application for a loan might be made, from 2 to 6 years after separation from the military or naval forces or after termination of the war, whichever is the later date, but in no event more than 8 years (now 5 years) after the termination of the war. It further provided that the eligible veteran may apply to any of the established lending agencies set forth in the bill for a loan for the purposes specified in title III in any amount that may be agreed upon between the lender and the veteran, and when the loan is made by the lender he would be automatically guaranteed up to 50 percent of the loan by the Administrator of Veterans' Affairs. It was provided that the aggregate amount guaranteed should not exceed \$2,000 and that no loan should be renegotiated until 30 days after the veteran's discharge. The House bill provided that an honorable discharge should be the veteran's certificate of eligibility to apply for a guaranteed loan, and veterans who have a discharge other than honorable or dishonorable would receive from the Administrator upon request after discharge a certificate of eligibility. Upon making the loan the lender would endorse upon the back of the discharge or certificate, in lieu of discharge or certificate of eligibility, the date and amount of the loan and would transmit to the Administrator a statement setting forth the name and serial number of the veteran, amount and terms of the loan, and the legal description of the property. No approval of the loan would be required by the Administrator. The House bill, in connection with loans for homes, farms, or business property, substituted for "reasonable normal value thereof as determined by proper appraisal," contained in the present law, the language "reasonable value thereof as determined by the lender's appraisal." In the event the veteran defaulted in payment of his loan and after suit or foreclosure and sale the deficiency was determined, then upon notification from the lender, the Administrator would pay to the lender its guaranty not in excess of \$2,000 and not in excess of the deficiency, and be subrogated to the rights of the lender to the extent of the amount paid on the guaranty. It was provided that prior to suit or foreclosure the lender was to notify the Administrator and within 30 days thereafter the Administrator might at his option pay the lender the unpaid balance of the loan plus accrued interest and receive an assignment of the loan and security and thereafter sue or foreclose in the name of the Veterans' Administration.

The Senate amendment, while preserving the existing procedure under the loan provisions, also makes substantial changes in existing law. It permits a veteran to apply for guaranty of a loan within 10 years after the termination of the war; authorizes the Administrator to pay an amount equivalent to 4 percent on the amount originally guaranteed rather than payment of interest for the first year; extends the maturity limitation from 20 to 25 years generally, and in the case of loans on farm realty to 40 years; makes clear that the veteran may purchase a lot out of the proceeds of a loan designed to finance the construction of a home on that lot; omits the word "normal" from the phrase "reasonable normal value" in connection with appraisals; broadens the present language of the act so that loans can be made for every ordinary farming purpose; broadens the business loan provisions to permit any normal business enterprise to be

financed initially; broadens the refinancing of existing indebtedness to cover all types of loans, but with restrictive provisions; extends the powers of the Administrator to perform functions under the loan provisions, principally with respect to suits, payment of claims, compromises, property administration and the like; and adds a plan permitting the Administrator to insure loans for business purposes on a plan similar to that provided for modernization and repair loans under title I of the Housing Act (such insurance to be issued in lieu of a guaranty, to be issued direct to the lending institutions under procedure giving them not to exceed a 15-percent coverage, and to be issued only to supervised lending institutions or financial institutions purchasing such loans from the original lending institution).

The bill as agreed to in conference seeks to combine and integrate the two procedures set out in the House bill and the Senate amendment, respectively. It liberalizes the title substantially in accordance with the Senate provisions, but in place of the present predetermination of the Veterans' Administration that a proposed loan may be guaranteed it provides that a loan is automatically guaranteed by virtue of the lender and the veteran having consummated a loan in full compliance with the specific provisions of the title, one of which is that the purchase price or cost does not exceed the reasonable value as determined by proper appraisal made by an appraiser designated by the Administrator of Veterans' Affairs. The Veterans' Administration upon determining that a loan has been automatically guaranteed is authorized to issue a certificate of guaranty. Loans to be made by private lenders must be approved in advance by the Veterans' Administration in order to be guaranteed. More specifically, the conference agreement contains the following provisions:

Section 500: Any loan made by an eligible veteran within 10 years after the end of the war in compliance with the terms and conditions of the title is automatically guaranteed in an amount not in excess of 50 percent of the loan. The aggregate amount of guaranty in the case of a non-real-estate loan may not exceed \$2,000 and in the case of a real-estate loan \$4,000, or a proportionate amount in combination loans. The interest may not exceed 4 percent. The maturity of amortized loans on real estate may not exceed 25 years, or in case of farm realty 40 years, and the maturity on non-real-estate loans shall not exceed 10 years. The guaranteed loans may be made by any ordinary lending agency which is subject to examination and supervision by an agency of the United States or of any State or Territory, including the District of Columbia. Restrictions of Federal laws are removed as to certain institutions subject to Federal supervision with respect to the following:

- (1) Ratio of amount of loan to the value of the property;
- (2) Maturity of loan;
- (3) Requirement for mortgage or other security;
- (4) Dignity of lien;
- (5) Percentage of assets which may be invested in real estate loans.

As noted above, lenders not of one of the specified classes may make guaranteed loans only in the event the loan is approved in advance by the Administrator of Veterans' Affairs.

Sections 501, 502, and 503 are amended to conform to the principle established in section 500, and the latter two sections are broadened materially in accordance with the Senate version.

Section 504, authorizing the Administrator to make necessary regulations, is retained, with limitations conforming to the procedure adopted.

Section 505, relating to secondary loans, is retained with amendments to conform to the new procedure, but the provision that the rate of interest on the second loan shall not exceed that on the principal loan by more than 1 percent is omitted.

Section 506, relating to procedure on default, is retained substantially as in the House bill.

Section 507 is the Senate provision respecting loans for the payment of defaulted indebtedness or delinquent taxes, but with an amendment to conform to the remaining provisions of the title.

Section 508, respecting the insurance of loans made by supervised lending agencies, is taken from the Senate amendment with an amendment authorizing the insurance of any loan which otherwise might be made under the amended title III, the Senate provision having confined this to loans under section 503.

Section 509 is the provision in the Senate amendment extending the powers of the Administrator to perform functions under the loan provisions, and is retained with minor clarifying amendments.

Section 510 is designed to protect contractual rights under loan guaranties issued under the original act and to authorize the approval of applications filed at any time within 90 days after the effective date of the amended act, in order to permit the continued processing of loan applications pending the issuance of necessary instructions and regulations under the amendatory legislation.

#### MISCELLANEOUS

The House bill provided that any proposed regulation to carry out the purposes of the act other than interagency administrative rules or orders should, before becoming effective, be submitted to the Committee on Finance of the Senate and to the Committee on World War Veterans' Legislation of the House of Representatives. If neither committee acted within 15 days the rule or order would become effective and if approved by either committee it would become effective immediately upon such approval; and if disapproved by either committee it would not be issued. In the event of conflicting committee actions the earlier action would govern. There is no corresponding provision in the Senate amendment. The bill as agreed to in conference omits this provision.

The Senate amendment limits the application of section 1505 of the law, relating to charges and deductions against benefits under any adjusted compensation law, to benefits received by or paid for a veteran under title III of the act, relating to loans. The House bill left the law unchanged. The conference agreement repeals section 1505 in its entirety.

The Senate amendment extends to persons who served in the active military or naval service of Allied Governments and who were citizens of the United States at the time of entrance into such service, the benefits of the Servicemen's Readjustment Act as well as the vocational rehabilitation provisions of Public Law 16, Seventy-eighth Congress, to the same extent as in the case of persons who served in our own armed forces. It is provided, however, that these benefits will be extended only to persons who are residents of the United States at the time of filing claim and who are not receiving similar benefits from the government of the Allied Nation concerned. There was no corresponding provision in the House bill. The bill as agreed to in conference includes this provision.

The Senate amendment also extends the benefits of titles II and III of the act and of Public Law 16, Seventy-eighth Congress, to persons while on terminal leave or while hospitalized pending final discharge, with provision that no subsistence allowance would be paid in such cases under title II of the act or Public Law 16. This section



is made effective as of June 22, 1944, the date of enactment of the Servicemen's Readjustment Act. There was no corresponding provision in the House bill. The bill as agreed to in conference includes this provision.

#### AMENDMENT TO TITLE

The title of the bill as amended by the Senate reads "An act to amend the Servicemen's Readjustment Act of 1944, and for other purposes." The House recedes.

JOHN E. RANKIN,  
A. LEONARD ALLEN,  
JAMES DOMENGAUX,  
EDITH NOURSE ROGERS,  
PAUL CUNNINGHAM,

*Managers on the Part of the House.*

#### FIRST DEFICIENCY BILL SENT TO CONFERENCE

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4805), making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1946, and for other purposes, with Senate amendments, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. CANNON of Missouri, WOODRUM of Virginia, LUDLOW, SNYDER, O'NEAL, RABAUT, JOHNSON of Oklahoma, TABER, WIGGLESWORTH, DIRKSEN, and ENGEL of Michigan.

Mr. CANNON of Missouri. Mr. Speaker, I also ask unanimous consent, due to the fact that time is very short, that the managers on the part of the House be permitted to include in the conference report matters upon which the conferees of the two Houses shall agree, section 2 of rule 20 to the contrary notwithstanding. That is the rule which requires conferees to bring into the House items on which there is no authorization.

I may say that in this bill are certain items which otherwise we would have to bring back out of mere formality, and we ask that they may be included in the conference report.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

Mr. TABER. Mr. Speaker, I object.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to proceed for one-half minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, I do this to ask the chairman of the Committee on Appropriations, for the benefit of the House and myself, if he can give us any idea when this conference report may be back in the House?

Mr. CANNON of Missouri. Mr. Speaker, it is our hope that we shall be able to bring this bill back to the House on Wednesday.

Mr. McCORMACK. It would be better, as a matter of fact, if it could be brought in tomorrow; that would be fine. The sooner the better. The \$150,-

000,000 for UNRRA, of course, will have to come back for a separate vote anyway.

Mr. CANNON of Missouri. That was one of the reasons for requesting waiver of technicalities.

#### AMENDMENT OF DEFENSE HOUSING ACT

Mr. SABATH, from the Committee on Rules, reported the following privileged resolution (H. Res. 462, Rept. No. 1450) which was referred to the House Calendar, and ordered to be printed:

*Resolved*, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the resolution (S. J. Res. 122) to amend section 502 of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended, to authorize an additional appropriation for the purpose of providing housing for distressed families of servicemen and for veterans and their families, and for other purposes. That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Public Buildings and Grounds, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same back to the House with such amendments as shall have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

#### CONTINUANCE OF NAVY V-12 PROGRAM

Mr. SABATH (on behalf of Mr. BATES of Kentucky), from the Committee on Rules, reported the following resolution (H. Res. 463, Rept. No. 1451), which was referred to the House Calendar, and ordered to be printed:

*Resolved*, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the resolution (H. J. Res. 290) providing for the continuance to the end of June 1946 of the Navy's V-12 program. That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Naval Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same back to the House with such amendments as shall have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

#### EXCLUSION OF CERTAIN LANDS IN DESCHUTES COUNTY, OREG., FROM THE PROVISIONS OF REVISED STATUTES 2319 TO 2337, INCLUSIVE

Mr. PETERSON of Florida. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 608) to exclude certain lands in Deschutes County, Oreg., from the provisions of Revised Statutes 2319 to 2337, inclusive, relating to the promotion of the development of the mining resources of the United States, with Senate amend-

ment thereto, and to concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, line 6, after "States)" insert "": *Provided*, That nothing in this act shall disturb any vested rights of any person or persons in or to said real property or any part thereof."

The SPEAKER. Is there objection to the request of the gentleman from Florida?

Mr. RICH. Mr. Speaker, reserving the right to object, I want to know what this bill is about?

Mr. PETERSON of Florida. Mr. Speaker, this bill has already passed the House and the Senate. The Senate spelled into the bill what we stated in our report and on the floor, that we did not wish to disturb existing rights and the following provision was put in:

*Provided*, That nothing in this act shall disturb any vested right of any person or persons in or to said real property and any part thereof.

We are asking the House to agree to the Senate amendment which would not disturb these rights.

Mr. RICH. Are we giving public lands to some one?

Mr. PETERSON of Florida. No; we are taking out of the Forestry Service certain lands for recreational areas.

Mr. RICH. Who is going to control those areas?

Mr. PETERSON of Florida. They will be controlled by the Forest Service or the Park Service, later to be determined.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

#### EASTERN CONTRACTING CO.—VETO MES- SAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following veto message from the President of the United States which was read:

#### *The House of Representatives:*

I return herewith without my approval the bill (H. R. 2518), to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the Eastern Contracting Co. against the United States for damages occasioned by reason of delays caused by the United States Government in carrying out the terms of a contract entered into by the company and the United States Government on June 8, 1934, for the construction of highway approaches to the Bourne Bridge, Cape Cod Canal, Bourne, Mass.

The bill directs the court to determine and render judgment upon the claim for certain equipment being idle because of this delay, and for overhead expenses. The court shall further determine and render judgment on the claim for the fair value of certain cubic yards of borrow material used in making a fill, as required by the contract. Action under



the bill shall be instituted within 1 year after the date of its approval.

It appears that on October 5, 1942, the Court of Claims found against the Eastern Contracting Co. in an action for damages growing out of the delays set forth in this bill (97 Ct. Cls. 341). The court held that although the plaintiff was damaged, it had failed to furnish evidence by which such damages could be measured. Motion for a new trial was overruled.

It would seem that, when a case has been fairly tried in the Court of Claims and has been decided against the claimant for failure to sustain the necessary burden of proof, the court should not be required by statute to retry the issue. Moreover, to do so would accord to the claimant a special privilege not accorded to other claimants in like circumstances.

Accordingly, I am constrained to withhold approval of this legislation.

HARRY S. TRUMAN.

THE WHITE HOUSE, December 17, 1945.

The SPEAKER. The objections of the President will be spread at large upon the Journal and the message and accompanying documents referred to the Committee on Claims and ordered to be printed.

#### RANK OF CHIEFS OF NAVAL BUREAUS— VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following veto message from the President of the United States which was read:

#### *The House of Representatives:*

I return herewith, without my approval, H. R. 1862, the principal purpose of which would be to give to chiefs of naval bureaus the rank of vice admiral and to the assistant chiefs of naval bureaus the rank of rear admiral.

This enactment would extend preferential rank and retirement benefits to a particular group in one of the branches of our armed forces, and would not take into account the matter of rank and other benefits for personnel holding comparable assignments within other branches. This is piecemeal legislation. The time has arrived when we must consider all branches of our armed forces in the enactment of laws governing rank, promotion, and other privileges and benefits and conditions of service. The matter of increased permanent rank for chiefs of bureaus of the Navy Department and their assistants should await decision by the Congress on the matter of the organization and composition of our whole postwar Military Establishment and consideration of the problem of suitable rank for higher commands and staff assignments in the ground, sea, and air forces.

HARRY S. TRUMAN.

THE WHITE HOUSE, December 17, 1945.

The SPEAKER. The objections of the President will be spread at large upon the Journal, and the message and accompanying documents will be referred to the Committee on Naval Affairs and ordered to be printed.

#### RESIGNATION OF A MEMBER

The SPEAKER laid before the House the following communication:

DECEMBER 14, 1945.

Hon. SAM RAYBURN,  
*Speaker of the House of Representatives,  
The Capitol, Washington, D. C.*

MY DEAR MR. SPEAKER: I am enclosing herewith a copy of my letter of resignation from Congress, effective January 7, 1946, which I submitted to the Honorable Edward Martin, Governor of the Commonwealth of Pennsylvania.

It has been a great privilege to serve under your leadership during the historic Seventy-seventh, Seventy-eighth, and Seventy-ninth Congresses.

With best wishes, I remain

Sincerely yours,

SAMUEL A. WEISS.

Without objection, the resignation will be accepted.

There was no objection.

#### CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day. The Clerk will call the first bill on the Consent Calendar.

#### INCREASING NUMBER OF CADETS AT UNITED STATES MILITARY ACADEMY

The Clerk called the bill (H. R. 320) to amend the act entitled "An act to authorize an increase of the number of cadets at the United States Military Academy and to provide for maintaining the corps of cadets at authorized strength," approved June 3, 1942 (57 Stat. 306).

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. COLE of New York. I object, Mr. Speaker.

#### EXTENDING PRIVILEGE OF RETIREMENT TO CERTAIN DISTRICT COURT JUDGES

The Clerk called the bill (S. 565) to extend the privilege of retirement to the judges of the District Court for the District of Alaska, the District Court of the United States for Puerto Rico, the District Court of the Virgin Islands, and the United States District Court for the District of the Canal Zone.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. KEAN. I object, Mr. Speaker.

#### EFFICIENT DENTAL CARE FOR PERSONNEL OF UNITED STATES NAVY

The Clerk called the bill (S. 715) to provide more efficient dental care for the personnel of the United States Navy.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. KEAN. Mr. Speaker, a rule has been granted on this bill. I therefore ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

#### PROVIDING FOR EVACUATION AND RE- PATRIATION OF REMAINS OF CERTAIN PERSONS WHO DIED AND ARE BURIED OUTSIDE THE CONTINENTAL LIMITS OF THE UNITED STATES

The Clerk called the bill (H. R. 3936) to provide for the evacuation and repatriation of the remains of certain per-

sons who died and are buried outside the continental limits of the United States and whose remains could not heretofore be returned to their homelands due to wartime shipping restrictions.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. COLE of New York. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

#### PROVIDING CREDIT FOR PAST SERVICE TO SUBSTITUTE EMPLOYEES OF THE POSTAL SERVICE

The Clerk called the bill (H. R. 4652) to provide credit for past service to substitute employees of the postal service when appointed to regular positions; to extend annual and sick leave benefits to war service indefinite substitute employees; to fix the rate of compensation for temporary substitute rural carriers serving in the place of regular carriers in the armed forces; and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That, upon appointment to a regular position in the postal service, any employee who was a substitute in the postal service prior to July 1, 1944, shall receive credit for actual substitute service, including time served as a special delivery messenger, performed prior to July 1, 1945, computed on the basis of 1 year for each unit of 2,448 hours, but such credit shall not exceed 5 years. The credit thus computed shall be added to credit for actual substitute service, including time served as a special-delivery messenger, performed on and after July 1, 1945, computed on the basis of 1 year for each unit of 2,024 hours, but credit for service performed on and after July 1, 1945, shall not exceed 1 year for each period of 12 months. Upon the appointment of any such employee to a regular position he shall be placed in the salary grade, four grades higher than the grade to which he would have progressed had his original appointment been made to a regular position of grade 1, and the progression shall be computed on the basis of years of substitute service as herein provided. Any fractional part of a year's substitute service performed prior to July 1, 1945, and on and after that date, shall be included with regular service in determining eligibility for promotion to a higher grade following appointment to a regular position: *Provided,* That no substitute shall be appointed to a higher grade of a regular position than the highest grade to which employees may progress through annual promotions.

SEC. 2. War service indefinite substitute employees in the postal service, under such regulations as the Postmaster General may prescribe, shall be entitled to the same rights and benefits with respect to annual and sick leave that accrue to classified substitute employees in proportion to the time employed in a pay status.

SEC. 3. A temporary rural carrier serving a rural route in place of a rural carrier who has been inducted or has enlisted in the armed forces of the United States shall be paid for such service at the same rates per mile per annum and the same rate of fixed compensation that would have been paid to the regular carrier, Sundays and holidays included except at the beginning or end of the period of employment.



## AMENDMENTS TO SERVICEMEN'S READJUSTMENT ACT OF 1944

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DECEMBER 17, 1945.—Ordered to be printed

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Mr. RANKIN, from the committee of conference, submitted the  
following

### CONFERENCE REPORT

[To accompany H. R. 3749]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3749) to amend the Servicemen's Readjustment Act of 1944 to provide for a readjustment allowance for all veterans of World War II, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: *That the second sentence of section 100 of the Servicemen's Readjustment Act of 1944, as amended, is amended to read as follows: "The Administrator is authorized, for the purpose of extending benefits to veterans and dependents, and to the extent he deems necessary, to procure the necessary space for administrative, clinical, medical, and out-patient treatment purposes by lease, purchase, or construction of buildings, or by condemnation or declaration of taking, pursuant to existing statutes."*

SEC. 2. Section 104 of the Servicemen's Readjustment Act of 1944, as amended, is amended by striking out the second paragraph thereof and inserting in lieu thereof the following:

*"Any veteran entitled to a prosthetic appliance shall be furnished such fitting and training, including institutional training, in the use of such appliance as may be necessary, whether in a Veterans' Administration facility, other training institution, or by out-patient treatment, including such service under contract and including necessary travel expenses to and from their homes to such hospital or training institution."*



"The Administrator may procure any and all items mentioned herein, including necessary services required in the fitting, supplying, and training in use of such items by purchase, manufacture, contract, or in such other manner as the Administrator may determine to be proper without regard to any other provision of law."

SEC. 3. Section 200 of the Servicemen's Readjustment Act of 1944, as amended, is amended by adding at the end thereof the following new subsection:

"(c) The Administrator is further authorized at his discretion and under such regulations as he may prescribe to furnish, if available, necessary space and suitable office facilities for the use of paid full-time representatives of such organizations."

SEC. 4. Section 302 (a) of the Servicemen's Readjustment Act of 1944, as amended, is amended to read as follows:

"SEC. 302. (a) The Secretary of War, the Secretary of the Navy, and the Secretary of the Treasury are authorized and directed to establish, from time to time, boards of review composed of five commissioned officers, two of whom shall be selected from the Medical Corps of the Army or Navy, or from the Public Health Service, as the case may be. It shall be the duty of any such board to review, at the request of any officer retired or released from active service, without pay, for physical disability pursuant to the decision of a retiring board, board of medical survey, or disposition board, the findings and decisions of such board. Such review shall be based upon all available service records relating to the officer requesting such review, and such other evidence as may be presented by such officer. Witnesses shall be permitted to present testimony either in person or by affidavit, and the officer requesting review shall be allowed to appear before such board of review in person or by counsel. In carrying out its duties under this section such board of review shall have the same powers as exercised by, or vested in, the board whose findings and decision are being reviewed. The proceedings and decision of each such board of review affirming or reversing the decision of any such retiring board, board of medical survey, or disposition board shall be transmitted to the Secretary of War, the Secretary of the Navy, or the Secretary of the Treasury, as the case may be, and shall be laid by him before the President for his approval or disapproval and orders in the case."

SEC. 5. (a) Paragraph 1 of part VIII of Veterans Regulation Numbered 1 (a), as amended, is amended to read as follows:

"1. Any person who served in the active military or naval service on or after September 16, 1940, and prior to the termination of the present war, and who shall have been discharged or released therefrom under conditions other than dishonorable, and who either shall have served ninety days or more, exclusive of any period he was assigned for a course of education or training under the Army specialized training program or the Navy college training program, which course was a continuation of his civilian course and was pursued to completion, or as a cadet or midshipman at one of the service academies, or shall have been discharged or released from active service by reason of an actual service-incurred injury or disability, shall be eligible for and entitled to receive education or training under this part: Provided, That such course shall be initiated not later than four years after either the date of his discharge or the termination of the present war, whichever is the later: Provided further, That no

such education or training shall be afforded beyond nine years after the termination of the present war."

(b) Paragraph 2 of part VIII of such Regulation is amended to read as follows:

"2. Any such eligible person shall be entitled to education or training at an approved educational or training institution for a period of one year plus the time such person was in the active service on or after September 16, 1940, and before the termination of the war, exclusive of any period he was assigned for a course of education or training under the Army specialized training program or the Navy college training program, which course was a continuation of his civilian course and was pursued to completion, or as a cadet or midshipman at one of the service academies, but in no event shall the total period of education or training exceed four years: Provided, That his work continues to be satisfactory throughout the period, according to the regularly prescribed standards and practices of the institution: Provided further, That wherever the period of eligibility ends during a quarter or semester and after a major part of such quarter or semester has expired, such period shall be extended to the termination of such unexpired quarter or semester."

(c) Paragraph 3 of part VIII of such Regulation is amended to read as follows:

"3. (a) Such person shall be eligible for and entitled to such course of education or training, full time or the equivalent thereof in part-time training, as he may elect, and at any approved educational or training institution at which he chooses to enroll, whether or not located in the State in which he resides, which will accept or retain him as a student or trainee in any field or branch of knowledge which such institution finds him qualified to undertake or pursue: Provided, That, for reasons satisfactory to the Administrator, he may change a course of instruction: And provided further, That any such course of education or training may be discontinued at any time, if it is found by the Administrator that, according to the regularly prescribed standards and practices of the institution, the conduct or progress of such person is unsatisfactory.

"(b) Any such eligible person may apply for a short, intensive post-graduate, or training course of less than thirty weeks: Provided, That the Administrator shall have the authority to contract with approved institutions for such courses if he finds that the agreed cost of such courses is reasonable and fair: Provided further, That (1) the limitation of paragraph 5 shall not prevent the payment of such agreed rates; but there shall be charged against the veteran's period of eligibility the proportion of an ordinary school year which the cost of the course bears to \$500, and (2) not in excess of \$500 shall be paid for any such course.

"(c) Any such eligible person may apply for a course of instruction by correspondence without any subsistence allowance: Provided, That the Administrator shall have authority to contract with approved institutions for such courses if he finds that the agreed cost of such courses is reasonable and fair: Provided further, (1) That the provisions of paragraph 5 shall not apply to correspondence courses; (2) that one-fourth of the elapsed time in following such course shall be charged against the veteran's period of eligibility; and (3) that the total amount payable for a correspondence course or courses for any veteran shall not exceed \$500: And provided further, That nothing herein shall be construed to preclude the use of approved correspondence courses as a part of institutional or job training, subject to regulations prescribed by the Administrator."



(d) Paragraph 5 of part VIII of such Regulation is amended to read as follows:

"5. The Administrator shall pay to the educational or training institution, for each person enrolled in full time or part time course of education or training, the customary cost of tuition, and such laboratory, library, health, infirmary, and other similar fees as are customarily charged, and may pay for books, supplies, equipment, and other necessary expenses, exclusive of board, lodging, other living expenses, and travel, as are generally required for the successful pursuit and completion of the course by other students in the institution: Provided, That in no event shall such payments, with respect to any person, exceed \$500 for an ordinary school year unless the veteran elects to have such customary charges paid in excess of such limitation, in which event there shall be charged against his period of eligibility the proportion of an ordinary school year which such excess bears to \$500: Provided further, That no payments shall be made to institutions, business or other establishments furnishing apprentice training on the job: And provided further, That any institution may apply to the Administrator for an adjustment of tuition and the Administrator, if he finds that the customary tuition charges are insufficient to permit the institution to furnish education or training to eligible veterans, or inadequate compensation therefor, may provide for the payment of such fair and reasonable compensation as will not exceed the estimated cost of teaching personnel and supplies for instruction; and may in like manner readjust such payments from time to time."

(e) Effective on the first day of the first calendar month subsequent to the date of enactment of this Act, the first sentence of paragraph 6 of part VIII of such Regulation is amended to read as follows:

"6. While enrolled in and pursuing a course under this part, such person, upon application to the Administrator, shall be paid a subsistence allowance of \$65 per month, if without a dependent or dependents, or \$90 per month, if he has a dependent or dependents, including regular holidays and leave not exceeding thirty days in a calendar year."

(f) Paragraph 7 of part VIII of such Regulation is amended to read as follows:

"7. Any such person eligible for the benefits of this part, who is also eligible for the benefit of part VII, may elect either benefit or may be provided an approved combination of such courses: Provided, That the total period of any such combined courses shall not exceed the maximum period or limitations under the part affording the greater period of eligibility."

SEC. 6. Section 4 of Public Law Numbered 16, Seventy-eighth Congress, as added by section 402 of the Servicemen's Readjustment Act of 1944, is amended by striking out the period at the end thereof and inserting in lieu thereof a colon and the following: "Provided further, That returned books, supplies, or equipment may be turned in to educational or training institutions for credit under such terms as may be approved by the Administrator, or disposed of in such other manner as may be approved by the Administrator."

SEC. 7. (a) The proviso in paragraph 1 of part VII of Veterans Regulation Numbered 1 (a), as amended, is amended to read as follows: "Provided, That no course of training in excess of a period of four years shall be approved except with the approval of the Administrator, nor shall any training under this part be afforded beyond nine years after the termination of the present war."

(b) *Effective on the first day of the first calendar month subsequent to the date of enactment of this Act, paragraph 3 of part VII of Veterans Regulation Numbered 1 (a), as amended, is amended to read as follows:*

*"3. While pursuing training prescribed herein, and for two months after his employability is determined, each veteran shall be paid the amount of subsistence allowance specified in paragraph 6 of part VIII of Veterans Regulation Numbered 1 (a), as amended: Provided, That the minimum payment of such allowance, plus any pension or other benefit, shall be, for a person without a dependent, \$105 per month; and for a person with a dependent, \$115, plus the following amounts for additional dependents: (1) \$10 for one child and \$7 additional for each additional child, and (2) \$15 for a dependent parent: Provided further, That the rates set out herein shall not be subject to the increases authorized by Public Law Numbered 312, Seventy-eighth Congress, approved May 27, 1944: And provided further, That when the course of vocational rehabilitation furnished to any person as herein provided consists of training on the job by an employer, such employer shall be required to submit monthly to the Administrator a statement in writing showing any wage, compensation, or other income paid by him to such person during the month, directly or indirectly, and based upon such written statements, the Administrator is authorized to reduce the subsistence allowance of such person to an amount considered equitable and just."*

*SEC. 8. Title III of the Servicemen's Readjustment Act of 1944, as amended, is amended to read as follows:*

*"TITLE III—LOANS FOR THE PURCHASE OR CONSTRUCTION OF HOMES, FARMS, AND BUSINESS PROPERTY*

*"CHAPTER V—GENERAL PROVISIONS FOR LOANS*

*"SEC. 500. (a) Any person who shall have served in the active military or naval service of the United States at any time on or after September 16, 1940, and prior to the termination of the present war and who shall have been discharged or released therefrom under conditions other than dishonorable after active service of ninety days or more, or by reason of an injury or disability incurred in service in line of duty, shall be eligible for the benefits of this title. Any loan made by such veteran within ten years after the termination of the war for any of the purposes, and in compliance with the provisions, specified in this title, is automatically guaranteed by the Government by this title in an amount not exceeding fifty per centum of the loan: Provided, That the aggregate amount guaranteed shall not exceed \$2,000 in the case of non-real-estate loans, nor \$4,000 in the case of real-estate loans; or a prorated portion thereof on loans of both types or combination thereof.*

*"(b) Loans guaranteed under this title shall be payable under such terms and conditions as may be agreed upon by the parties thereto, subject to the conditions and limitations of this title and the regulations issued pursuant to section 504: Provided, That the liability under the guaranty within the limitations of this title shall decrease or increase pro rata with any decrease or increase of the amount of the unpaid portion of the obligation: Provided further, That loans guaranteed under this title shall bear interest at a rate not exceeding four per centum per annum and shall be payable in full in not more than twenty-five years, or in the case*



of loans on farm realty in not more than forty years: And provided further, That (1) the maturity on a non-real-estate loan shall not exceed ten years; (2) any loan for a term in excess of five years shall be amortized in accordance with established procedure; (3) except as provided in section 505 any real-estate loan, other than for repairs, alterations or improvements, shall be secured by a first lien on the realty, and a non-real-estate loan, except as to working or other capital, merchandise, good-will and other intangible assets, shall be secured by personalty to the extent legal and practicable.

"(c) An honorable discharge shall be deemed a certificate of eligibility to apply for a guaranteed loan. Any veteran who does not have a discharge certificate, or who received a discharge other than honorable, may apply to the Administrator for a certificate of eligibility. Upon making a loan as provided herein, the lender shall forthwith transmit to the Administrator a statement setting forth the full name and serial number of the veteran, amount and terms of the loan, and the legal description of the property, together with the appraisal report made by the designated appraiser. Where the loan is automatically guaranteed, the Administrator shall provide the lender with a loan guaranty certificate or other evidence of the guaranty. He shall also endorse on the veteran's discharge, or eligibility certificate, the amount and type of guaranty used, and the amount, if any, remaining. An amount equivalent to four per centum on the amount originally guaranteed shall be paid to the lender by the Administrator out of available appropriations, to be credited upon the loan. Nothing herein shall be deemed to preclude the assignment of any guaranteed loan nor the assignment of the security therefor.

"(d) Loans guaranteed hereunder may be made by any Federal land bank, national bank, State bank, private bank, building and loan association, insurance company, credit union, or mortgage and loan company, that is subject to examination and supervision by an agency of the United States or of any State or Territory, including the District of Columbia. Any loan at least twenty per centum of which is guaranteed under this title may be made by any national bank, or Federal savings and loan association; or by any bank, trust company, building and loan association or insurance company organized or authorized to do business in the District of Columbia; without regard to the limitations and restrictions of any other statute with respect to—

"(1) ratio of amount of loan to the value of the property;

"(2) maturity of loan;

"(3) requirement for mortgage or other security;

"(4) dignity of lien; or

"(5) percentage of assets which may be invested in real estate loans.

"(e) Any loan proposed to be made to an eligible veteran by any lender not of a class specified in subsection (d) may be guaranteed by the Administrator, if he finds that it is in accord otherwise with the provisions of this title, as amended.

#### "PURCHASE OR CONSTRUCTION OF HOMES

"SEC. 501. Any loan made to a veteran under this title, the proceeds of which are to be used for purchasing residential property or constructing a dwelling to be occupied as his home or for the purpose of making repairs, alterations, or improvements in property owned by him and occupied as

his home, is automatically guaranteed if made pursuant to the provisions of this title, including the following:

"(1) That the proceeds of such loan will be used for payment of the property purchased or constructed or improved;

"(2) That the contemplated terms of payment required in any mortgage to be given in part payment of the purchase price or the construction cost bear a proper relation to the veteran's present and anticipated income and expenses; and that the nature and condition of the property is such as to be suitable for dwelling purposes; and

"(3) That the price paid or to be paid by the veteran for such property or for the cost of construction, repairs, or alterations does not exceed the reasonable value thereof as determined by proper appraisal made by an appraiser designated by the Administrator.

#### "PURCHASE OF FARMS AND FARM EQUIPMENT

"SEC. 502. Any loan made to a veteran under this title, the proceeds of which are to be used for purchasing any lands, buildings, livestock, equipment, machinery, supplies or implements, or for repairing, altering, constructing or improving any land, equipment, or building, including the farmhouse, to be used in farming operations conducted by the veteran involving production in excess of his own needs, or for working capital requirements necessary for such operations, or to purchase stock in a cooperative association where the purchase of such stock is required by Federal statute as an incident to obtaining the loan, is automatically guaranteed if made pursuant to the provisions of this title, including the following:

"(1) That the proceeds of such loan will be used for any such purposes in connection with bona fide farming operations conducted by the applicant;

"(2) That such property will be useful in and reasonably necessary for efficiently conducting such operations;

"(3) That the ability and experience of the veteran, and the nature of the proposed farming operations to be conducted by him, are such that there is a reasonable likelihood that such operations will be successful; and

"(4) That the purchase price paid or to be paid by the veteran for such property does not exceed the reasonable value thereof as determined by proper appraisal made by an appraiser designated by the Administrator.

#### "PURCHASE OF BUSINESS PROPERTY

"SEC. 503. Any loan made to a veteran under this title, the proceeds of which are to be used for the purpose of engaging in business or pursuing a gainful occupation, or for the cost of acquiring for such purpose land, buildings, supplies, equipment, machinery, tools, inventory, stock in trade, or for the cost of the construction, repair, alteration or improvement of any realty or personalty used for such purpose, or to provide the funds needed for working capital, is automatically guaranteed if made pursuant to the provisions of this title, including the following:

"(1) That the proceeds of such loan will be used for any of the specified purposes in connection with bona fide pursuit of gainful occupation by the veteran;



"(2) That such property will be useful in and reasonably necessary for the efficient and successful pursuit of such business or occupation;

"(3) That the ability and experience of the veteran, and the conditions under which he proposes to pursue such business or occupation, are such that there is a reasonable likelihood that he will be successful in the pursuit of such business or occupation; and

"(4) That the purchase price paid or to be paid by the veteran for such property, or the cost of such construction, alterations, or improvements, does not exceed the reasonable value thereof as determined by proper appraisal made by an appraiser designated by the Administrator.

#### "REGULATIONS

"SEC. 504. The Administrator is authorized to promulgate such rules and regulations not inconsistent with this title, as amended, as are necessary and appropriate for carrying out the provisions of this title, and may delegate to subordinate employees authority to issue certificates, or other evidence, of guaranty of loans guaranteed under the provisions of this title, and to exercise other administrative functions hereunder.

#### "SECONDARY LOANS

"SEC. 505. (a) In any case wherein a principal loan, for any of the purposes stated in section 501, 502, or 503, is approved by a Federal agency to be made or guaranteed or insured by it pursuant to applicable law and regulations, and the veteran is in need of a second loan to cover the remainder of the purchase price or cost, or a part thereof, the Administrator, subject otherwise to the provisions of this title, may guarantee the full amount of the second loan: Provided, That such second loan shall not exceed 20 per centum of the purchase price or cost: And provided further, That regulations to be promulgated jointly by the Administrator and the head of such agency may provide for servicing of both loans by such agency and for refinancing of the principal loan to include any unpaid portion of the secondary loan with accrued interest, if any, after the curtailment thereon equals twice the amount of the secondary loan.

"(b) Any person who is a veteran eligible for the benefits of this title, as provided in section 500 hereof, and who is found by the Secretary of Agriculture, by reason of his ability and experience, including training as a vocational trainee, to be likely to carry out successfully undertakings required of him under a loan which may be made under the Bankhead-Jones Farm Tenant Act, shall be eligible for the benefits of such Act to the same extent as if he were a farm tenant.

#### "PROCEDURE ON DEFAULT

"SEC. 506. In the event of default in the payment of any loan guaranteed under this title, the holder of the obligation shall notify the Administrator who shall thereupon pay to such holder the guaranty not in excess of the pro rata portion of the amount originally guaranteed, and shall be subrogated to the rights of the holder of the obligation to the extent of the amount paid on the guaranty: Provided, That prior to suit or foreclosure the holder of the obligation shall notify the Administrator of the default, and within thirty days thereafter the Administrator may, at his option, pay the holder of the obligation the unpaid balance of the obligation plus

accrued interest and receive an assignment of the loan and security: Provided further, That (1) nothing herein shall be construed to preclude any forbearance for the benefit of the veteran as may be agreed upon by the parties to the loan and approved by the Administrator; and (2) the Administrator may establish the date, not later than the date of judgment and decree of foreclosure or sale, upon which accrual of interest or charges shall cease.

#### "LOANS ON DELINQUENT INDEBTEDNESS

"SEC. 507. Any loan made to a veteran, the proceeds of which are to be used to refinance any indebtedness of the veteran which is secured of record on property to be used or occupied by the veteran as a home or for farming purposes, or indebtedness incurred by him in the pursuit of a gainful occupation which he is pursuing or which he proposes in good faith to pursue, or any delinquent taxes or assessments on such property or business, is automatically guaranteed if made pursuant to the provisions of this title, including the following:

"(1) Such loan became in default or the delinquency occurred not later than ten years after the termination of the war;

"(2) Such refinancing will aid the veteran in his economic readjustment; and

"(3) The amount of the guaranteed loan does not exceed the reasonable value of the property or business, as determined by proper appraisal made by an appraiser designated by the Administrator.

#### "INSURANCE OF LOANS

"SEC. 508. (a) Any loans which might be guaranteed under the provisions of this title, when made or purchased by any financial institution subject to examination and supervision by an agency of the United States or of any State or Territory, including the District of Columbia, may, in lieu of such guaranty, be insured by the Administrator under an agreement whereby he will reimburse any such institution for losses incurred on such loan up to 15 per centum of the aggregate of loans so made or purchased by it.

"(b) Loans insured hereunder shall be made on such other terms, conditions, and restrictions as the Administrator may prescribe within the limitations set forth in this title. The Administrator may fix the maximum rate of interest payable on any class of non-real-estate loans insured hereunder at a figure not in excess of a 3 per centum discount rate or an equivalent straight interest rate on nonamortized loans.

"(c) The Administrator shall pay the same amount on each loan insured hereunder as he would be required to pay under the sixth sentence of section 500 (c) hereof if the loan were guaranteed rather than insured.

#### "POWERS OF ADMINISTRATOR

"SEC. 509. (a) With respect to matters arising by reason of this title as now or hereafter amended and, notwithstanding the provisions of any other law, the Administrator may—

"(1) Sue and be sued in his official capacity in any court of competent jurisdiction, State or Federal;

"(2) Subject to specific limitations in this Act, consent to the modification, with respect to rate of interest, time of payment of



principal or interest or any portion thereof, security or other provisions of any note, contract, mortgage or other instrument securing a loan which has been guaranteed or insured hereunder;

"(3) Pay, or compromise, any claim on, or arising because of, any such guaranty or insurance;

"(4) Pay, compromise, waive or release any right, title, claim, lien or demand, however acquired, including any equity or any right of redemption;

"(5) Purchase at any sale, public or private, upon such terms and for such prices as he determines to be reasonable, and take title to, property, real, personal or mixed; and similarly sell, at public or private sale, exchange, assign, convey, or otherwise dispose of any such property; and

"(6) Complete, administer, operate, obtain and pay for insurance on, and maintain, renovate, repair, modernize, lease, or otherwise deal with any property acquired or held pursuant to this title: Provided, That the acquisition of any such property shall not deprive any State or political subdivision thereof of its civil or criminal jurisdiction of, on, or over such property (including power to tax) or impair the rights under the State or local law of any persons on such property.

"(b) The powers by this section granted may be exercised by the Administrator without regard to any other provisions of law not enacted expressly in limitation hereof, which otherwise would govern the expenditure of public funds: Provided, That section 3709 of the Revised Statutes shall apply to any contract for services or supplies on account of any property acquired pursuant to this section if the amount of such contract exceeds \$1,000.

"(c) The financial transactions of the Administrator incident to, or arising out of, the guaranty of loans pursuant to this title, and the acquisition, management, and disposition of property, real, personal or mixed, as incident to such activities and pursuant to this section, shall be final and conclusive upon all officers of the Government.

#### "EFFECTIVE DATE

"SEC. 510. This title, as amended, shall be effective from the date of enactment: Provided, That any application for guaranty of a loan filed within ninety days after such date may be approved under the title as it existed prior to amendment: And provided further, That nothing herein shall be construed to affect any contractual right under any certificate of guaranty issued thereunder."

SEC. 9. Section 1505 of the Servicemen's Readjustment Act of 1944, as amended, is hereby repealed.

SEC. 10. Title VI of the Servicemen's Readjustment Act of 1944, as amended, is amended by adding at the end thereof the following new sections:

"SEC. 1506. Persons who served in the active military or naval service of any government allied with the United States in World War II and who at time of entrance into such active service were citizens of the United States shall, by virtue of such service, and if otherwise qualified, be entitled to the benefits of titles II, III, IV, and V of this Act or of Public Law 16, Seventy-eighth Congress, in the same manner and to the same extent as persons who served in the active military or naval service of the United States: Provided, That any such benefit shall not be extended

*to any person who is not a resident of the United States at time of filing claim or to any person who has applied for and received the same or similar benefit from the government of the nation in whose active military or naval service he served.*

*"SEC. 1507. Notwithstanding the provisions of section 1503, any person while on terminal leave, or while hospitalized pending final discharge, may be afforded the benefits of titles II and III of this Act, or vocational rehabilitation training under Public Law 16, Seventy-eighth Congress, as amended, subject to all conditions thereof except actual discharge: Provided, That no subsistence allowance shall be paid in such cases under title II of this Act or Public Law 16, Seventy-eighth Congress. This section shall be effective from June 22, 1944."*

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill, and agree to the same.

J. E. RANKIN,  
A. LEONARD ALLEN,  
JAMES DOMENGEAUX,  
EDITH NOURSE ROGERS,  
PAUL CUNNINGHAM,  
*Managers on the Part of the House.*

WALTER F. GEORGE,  
TOM CONNALLY,  
ED C. JOHNSON,  
ROBERT M. LA FOLLETTE, Jr.,  
E. D. MILLIKIN,  
*Managers on the Part of the Senate.*



## STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3749) to amend the Servicemen's Readjustment Act of 1944 to provide for a readjustment allowance for all veterans of World War II, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate amendment to the text of the bill strikes out all of the House bill after the enacting clause. The committee of conference recommends that the House recede from its disagreement to the amendment of the Senate, with an amendment which is a substitute for both the House bill and the Senate amendment, and that the Senate agree to the same.

The substantial differences between the House amendment and the proposed conference substitute are noted in the following statement.

### PROCEDURE

The House bill provided that the Veterans' Administration should have the same authority and discretion as the War and Navy Departments and the United States Public Health Service in the appointment of civil-service personnel, and provided that the provisions of section 100 of the Servicemen's Readjustment Act of 1944 as to priorities for materials should apply to any State institutions to be built for the care or hospitalization of veterans. The bill as agreed to in conference omits this provision.

The Senate amendment amends section 100 of the Servicemen's Readjustment Act so as to make permanent the authority of the Administrator under that section to procure necessary space for administrative, clinical, medical, and outpatient treatment purposes, by lease, purchase, or construction of buildings, or by condemnation or declaration of taking. Under existing law this authority is limited to the present war and 6 months thereafter. The House bill omitted this authority entirely. The bill as agreed to in conference includes the Senate provision.

The House bill liberalized the provisions of section 104 of the Servicemen's Readjustment Act to insure ample authority governing the procurement of prosthetic appliances and services in connection therewith to disabled veterans, including necessary travel expenses. There is no corresponding provision in the Senate amendment. The bill as agreed to in conference retains the House provision.

The Senate amendment contains a provision amending section 200 of the Servicemen's Readjustment Act to authorize the Administrator at his discretion to furnish necessary space, suitable office facilities and stenographic assistance for the use of paid full-time representatives of veterans organizations, with reimbursement on an actual cost

basis. The section as agreed to in conference authorizes the Administrator, in his discretion, to furnish space and office facilities, if available, but omits the requirement for reimbursement.

Section 302 of the Servicemen's Readjustment Act was amended in the House bill to permit review boards to review action of boards of medical survey. The Senate amendment adds authority to review findings and decisions of disposition boards. Both of these amendments are retained in the conference agreement.

#### EDUCATION AND TRAINING

The Senate amendment eliminates the requirement in the law that veterans show that education was interrupted by service; retains the provision in the House bill that extended the time from 2 to 4 years to initiate a course and the time within which education or training may be afforded from 7 to 9 years after the termination of the war; and strikes out the 25-year-age limitation on presumption of interruption of education. The bill as agreed to in conference retains the Senate changes.

The Senate amendment strikes out the references in the law to a refresher or retraining course and in effect provides that the veteran will be afforded approved education or training for a period of 1 year plus the time he was in active service, not to exceed a total of 4 years. The bill as agreed to in conference contains this amendment.

Both the House bill and the Senate amendment contain provisions authorizing short intensive courses under contracts with approved institutions. The Senate amendment, however, strikes out the word "vocational" limiting the training courses provided for and the conference agreement also omits this limitation. It is also made clear that the cost of any such course may not exceed \$500.

Both the House bill and the Senate amendment provided for instruction by correspondence courses. The House bill added correspondence schools to the list of approved institutions but provided that the Government should pay for these correspondence courses quarterly as the course is completed and that no correspondence school should be approved unless it was already in existence. The Senate amendment provides for instruction by correspondence courses subject to contracts as to rates, charging one-fourth of the elapsed time used in following such courses against the veterans period of eligibility; and further limits the total amount payable for a correspondence course or courses to \$500. Both the House bill and the Senate amendment precluded payment of subsistence allowance while pursuing a correspondence course. The bill as agreed to in conference follows the Senate provision.

The Senate amendment amends existing law to permit the Administrator to make an adjustment of fees in the case of public institutions if he finds that customary charges are insufficient to permit the furnishing of education or training to eligible veterans, by agreement with each institution on an over-all plan and based on a showing of need of assistance to meet the educational demands under the Federal program. The bill as agreed to in conference retains the Senate provision, with an amendment permitting the estimated cost to be fixed (by regulation if desirable) instead of the actual cost (only by agreement) and further permitting a veteran to elect to foreshorten his



period of eligibility by having all customary charges in excess of \$500 paid.

The House bill increased subsistence allowances from \$50 to \$60 per month in the case of veterans without dependents and from \$75 to \$85 per month in the case of veterans with dependents. The Senate amendment increases these amounts to \$65 and \$90, respectively. The Senate rates are retained in the conference agreement.

The Senate amendment provides for approved combination of courses under part VIII (education and training) and part VII (vocational rehabilitation) of Veterans Regulation No. 1 (a), with the proviso that the total period of combined courses must not exceed the maximum period or limitations under the part affording the greater period of eligibility. This provision is included in the bill as agreed to in conference.

The Senate amendment adds a proviso to section 4 of Public Law 16, Seventy-eighth Congress, which was added by section 402 of the Servicemen's Readjustment Act, authorizing the release of returned books, supplies, or equipment to educational or training institutions for credit, or the disposition thereof otherwise, without regard to limitations on disposition of surplus property generally. The conference agreement retains this provision.

The Senate amendment permits the Administrator to approve courses under Public Law 16, relating to vocational rehabilitation, beyond the 4-year period fixed in existing law and also extended from 6 to 9 years after the end of the war the time within which training may be furnished, to conform to the amendments made in part VIII. These provisions are retained in the bill as agreed to in conference.

The Senate amendment contains an amendment revising paragraph 3 of part VII of Veterans Regulation No. 1 (a), as amended (Public Law 16, 78th Cong.) to provide that the disabled veteran, while pursuing training and for 2 months after his employability is determined, will be paid the amount of subsistence allowance specified in paragraph 6 of part VIII, Veterans Regulation No. 1 (a), as amended (the education provisions). It establishes a minimum rate of \$105 for a veteran without dependents, \$115 with a dependent, and \$10 additional for a child and \$7 for each additional child and \$15 for a dependent parent. Under existing law, while a veteran may receive additional pension while pursuing a course of training, the amount payable cannot exceed the rates for total temporary disability. The effect of the amendment is to permit the disabled veteran to receive subsistence allowances at the sums payable under part VIII relating to education and training plus whatever pension he is entitled to under existing law, but with a prescribed minimum, to protect the disabled veterans with low rate of pension. The bill as agreed to in conference retains this amendment.

#### LOAN PROVISIONS

The House bill extensively revised title III of the Servicemen's Readjustment Act. It extended the time within which application for a loan might be made, from 2 to 6 years after separation from the military or naval forces or after termination of the war, whichever is the later date, but in no event more than 8 years (now 5 years) after the termination of the war. It further provided that the eligible

veteran may apply to any of the established lending agencies set forth in the bill for a loan for the purposes specified in title III in any amount that may be agreed upon between the lender and the veteran, and when the loan is made by the lender he would be automatically guaranteed up to 50 percent of the loan by the Administrator of Veterans' Affairs. It was provided that the aggregate amount guaranteed should not exceed \$2,000 and that no loan should be renegotiated until 30 days after the veteran's discharge. The House bill provided that an honorable discharge should be the veteran's certificate of eligibility to apply for a guaranteed loan, and veterans who have a discharge other than honorable or dishonorable would receive from the Administrator upon request after discharge a certificate of eligibility. Upon making the loan the lender would endorse upon the back of the discharge or certificate, in lieu of discharge or certificate of eligibility, the date and amount of the loan and would transmit to the Administrator a statement setting forth the name and serial number of the veteran, amount and terms of the loan, and the legal description of the property. No approval of the loan would be required by the Administrator. The House bill, in connection with loans for homes, farms, or business property, substituted for "reasonable normal value thereof as determined by proper appraisal," contained in the present law, the language "reasonable value thereof as determined the lender's appraisal." In the event the veteran defaulted in payment of his loan and after suit or foreclosure and sale the deficiency was determined, then upon notification from the lender, the Administrator would pay to the lender its guaranty not in excess of \$2,000 and not in excess of the deficiency, and be subrogated to the rights of the lender to the extent of the amount paid on the guaranty. It was provided that prior to suit or foreclosure the lender was to notify the Administrator and within 30 days thereafter the Administrator might at his option pay the lender the unpaid balance of the loan plus accrued interest and receive an assignment of the loan and security and thereafter sue or foreclose in the name of the Veterans' Administration.

The Senate amendment, while preserving the existing procedure under the loan provisions, also makes substantial changes in existing law. It permits a veteran to apply for guaranty of a loan within 10 years after the termination of the war; authorizes the Administrator to pay an amount equivalent to 4 percent on the amount originally guaranteed rather than payment of interest for the first year; extends the maturity limitation from 20 to 25 years generally, and in the case of loans on farm realty to 40 years; makes clear that the veteran may purchase a lot out of the proceeds of a loan designed to finance the construction of a home on that lot; omits the word "normal" from the phrase "reasonable normal value" in connection with appraisals; broadens the present language of the act so that loans can be made for every ordinary farming purpose; broadens the business loan provisions to permit any normal business enterprise to be financed initially; broadens the refinancing of existing indebtedness to cover all types of loans, but with restrictive provisions; extends the powers of the Administrator to perform functions under the loan provisions, principally with respect to suits, payment of claims, compromises, property administration and the like; and adds a plan permitting the Administrator to insure loans for business purposes on a plan similar to that provided for modernization and repair loans under title I of



the Housing Act (such insurance to be issued in lieu of a guaranty, to be issued direct to the lending institutions under procedure giving them not to exceed a 15 percent coverage, and to be issued only to supervised lending institutions or financial institutions purchasing such loans from the original lending institution).

The bill as agreed to in conference seeks to combine and integrate the two procedures set out in the House bill and the Senate amendment, respectively. It liberalizes the title substantially in accordance with the Senate provisions, but in place of the present predetermination of the Veterans' Administration that a proposed loan may be guaranteed it provides that a loan is automatically guaranteed by virtue of the lender and the veteran having consummated a loan in full compliance with the specific provisions of the title, one of which is that the purchase price or cost does not exceed the reasonable value as determined by proper appraisal made by an appraiser designated by the Administrator of Veterans' Affairs. The Veterans' Administration upon determining that a loan has been automatically guaranteed is authorized to issue a certificate of guaranty. Loans to be made by private lenders must be approved in advance by the Veterans' Administration in order to be guaranteed. More specifically, the conference agreement contains the following provisions:

Section 500: Any loan made by an eligible veteran within 10 years after the end of the war in compliance with the terms and conditions of the title is automatically guaranteed in an amount not in excess of 50 percent of the loan. The aggregate amount of guaranty in the case of a non-real-estate loan may not exceed \$2,000 and in the case of a real estate loan, \$4,000, or a proportionate amount in combination loans. The interest may not exceed 4 percent. The maturity of amortized loans on real estate may not exceed 25 years, or in case of farm realty 40 years, and the maturity on non-real-estate loans shall not exceed 10 years. The guaranteed loans may be made by any ordinary lending agency which is subject to examination and supervision by an agency of the United States or of any State or Territory, including the District of Columbia. Restrictions of Federal laws are removed as to certain institutions subject to Federal supervision with respect to the following:

- (1) Ratio of amount of loan to the value of the property;
- (2) Maturity of loan;
- (3) Requirement for mortgage or other security;
- (4) Dignity of lien;
- (5) Percentage of assets which may be invested in real estate loans.

As noted above, lenders not of one of the specified classes may make guaranteed loans only in the event the loan is approved in advance by the Administrator of Veterans' Affairs.

Sections 501, 502, and 503 are amended to conform to the principle established in section 500, and the latter two sections are broadened materially in accordance with the Senate version.

Section 504 authorizing the Administrator to make necessary regulations, is retained, with limitations conforming to the procedure adopted.

Section 505, relating to secondary loans, is retained with amendments to conform to the new procedure, but the provision that the rate of interest on the second loan shall not exceed that on the principal loan by more than 1 percent is omitted.

Section 506, relating to procedure on default, is retained substantially as in the House bill.

Section 507 is the Senate provision respecting loans for the payment of defaulted indebtedness or delinquent taxes, but with an amendment to conform to the remaining provisions of the title.

Section 508, respecting the insurance of loans made by supervised lending agencies, is taken from the Senate amendment with an amendment authorizing the insurance of any loan which otherwise might be made under the amended title III, the Senate provision having confined this to loans under section 503.

Section 509 is the provision in the Senate amendment extending the powers of the Administrator to perform functions under the loan provisions, and is retained with minor clarifying amendments.

Section 510 is designed to protect contractual rights under loan guaranties issued under the original act and to authorize the approval of applications filed at any time within 90 days after the effective date of the amended act, in order to permit the continued processing of loan applications pending the issuance of necessary instructions and regulations under the amendatory legislation.

#### MISCELLANEOUS

The House bill provided that any proposed regulation to carry out the purposes of the act other than interagency administrative rules or orders should, before becoming effective, be submitted to the Committee on Finance of the Senate and to the Committee on World War Veterans' Legislation of the House of Representatives. If neither committee acted within 15 days the rule or order would become effective and if approved by either committee it would become effective immediately upon such approval; and if disapproved by either committee it would not be issued. In the event of conflicting committee actions the earlier action would govern. There is no corresponding provision in the Senate amendment. The bill as agreed to in conference omits this provision.

The Senate amendment limits the application of section 1505 of the law, relating to charges and deductions against benefits under any adjusted compensation law, to benefits received by or paid for a veteran under title III of the act, relating to loans. The House bill left the law unchanged. The conference agreement repeals section 1505 in its entirety.

The Senate amendment extends to persons who served in the active military or naval service of Allied Governments and who were citizens of the United States at the time of entrance into such service, the benefits of the Servicemen's Readjustment Act as well as the vocational rehabilitation provisions of Public Law 16, Seventy-eighth Congress, to the same extent as in the case of persons who served in our own armed forces. It is provided, however, that these benefits will be extended only to persons who are residents of the United States at the time of filing claim and who are not receiving similar benefits from the government of the Allied Nation concerned. There was no corresponding provision in the House bill. The bill as agreed to in conference includes this provision.

The Senate amendment also extends the benefits of titles II and III of the act and of Public Law 16, Seventy-eighth Congress, to persons



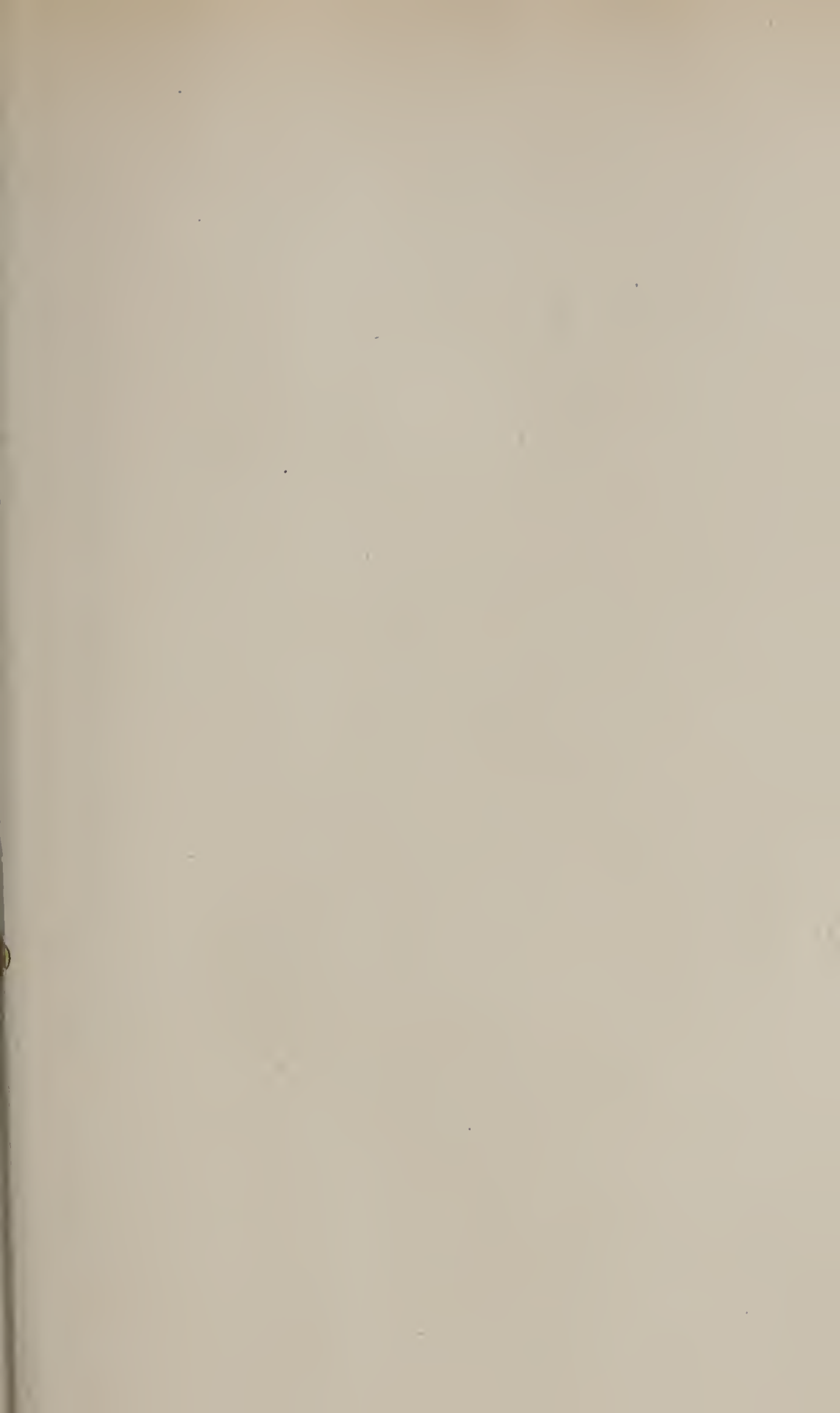
while on terminal leave or while hospitalized pending final discharge, with provision that no subsistence allowance would be paid in such cases under title II of the act or Public Law 16. This section is made effective as of June 22, 1944, the date of enactment of the Servicemen's Readjustment Act. There was no corresponding provision in the House bill. The bill as agreed to in conference includes this provision.

## AMENDMENT TO TITLE

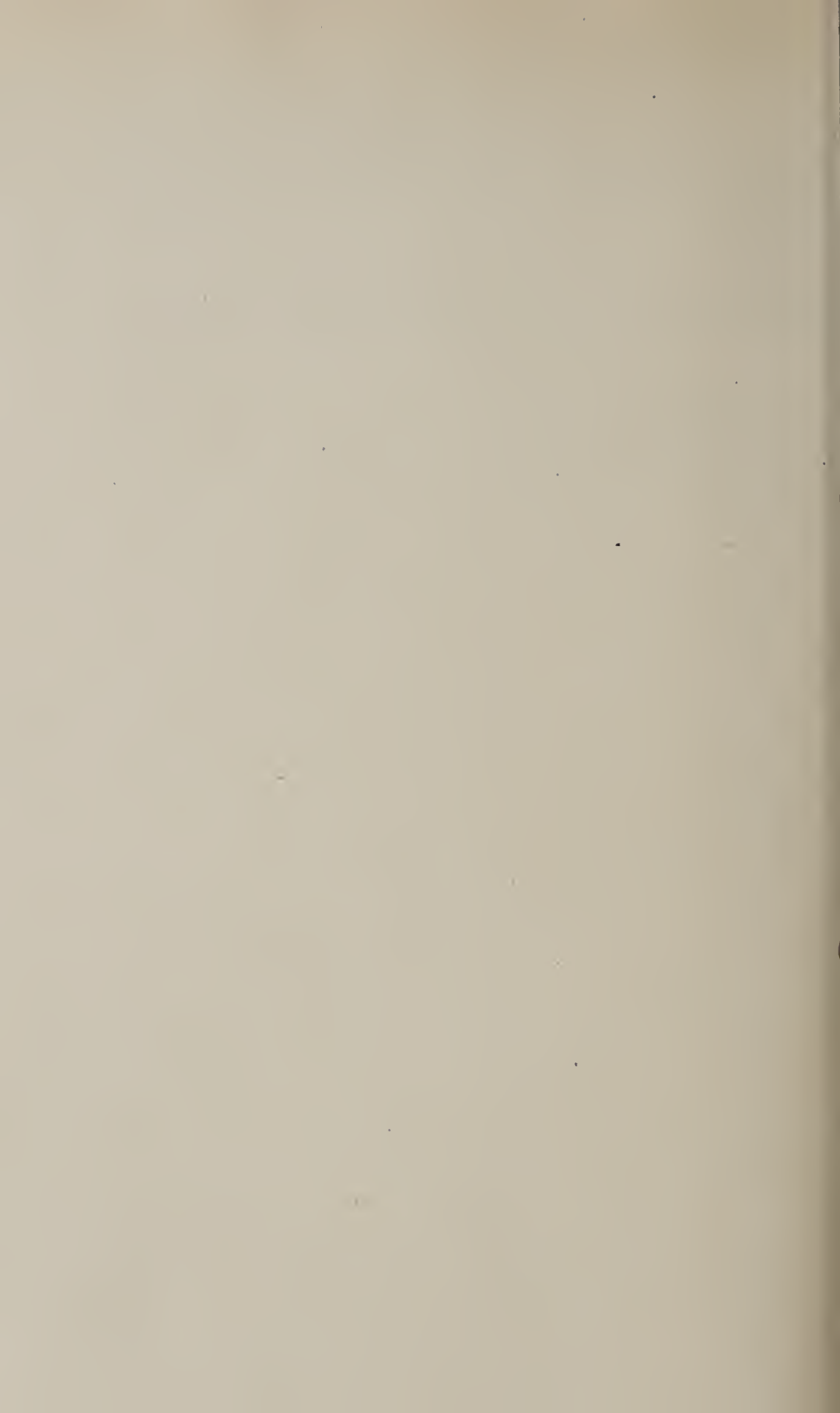
The title of the bill as amended by the Senate reads "An Act to amend the Servicemen's Readjustment Act of 1944, and for other purposes." The House recedes.

J. E. RANKIN,  
A. LEONARD ALLEN,  
JAMES DOMENGEAUX,  
EDITH NOURSE ROGERS,  
PAUL CUNNINGHAM,  
*Managers on the Part of the House.*















DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE  
(Issued December 20, 1945, for actions of Wednesday, December 19, 1945)

(For staff of the Department only)

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HIGHLIGHTS: Congress completed action on 1st deficiency appropriation bill; provides \$7,500,000 for school lunches. House agreed to and Senate received 2nd conference report on bill to liberalize GI Bill of Rights. Congress received President's message on military training and armed-forces unification. Senate passed Second War Powers Act extension bill.

SENATE

1. FIRST DEFICIENCY APPROPRIATION BILL, 1946. Both Houses agreed to conference report and acted on items in disagreement (pp. 12516-24, 12540-8). The House agreed to Rep. Cannon's (Mo.) motion to recede and concur in the Senate school-lunch amendment with an amendment making available an additional amount of \$7,500,000 (Senate figure, \$15,000,000) (p. 12548), and the Senate later agreed to Sen. McKellar's (Tenn.) motion to agree to the House amendment (p. 12517). The House agreed to Rep. Cannon's motion to recede and concur in the Senate Garrison Dam amendment with an amendment to permit operation of the dam at an 1850-foot level (p. 12548), and the Senate later agreed to Sen. McKellar's motion to agree to the House amendment (pp. 12517-24). The House receded and concurred in all other items in disagreement, including the veterans' housing amendment. This bill will now be sent to the President.
2. WAR POWERS. Passed with amendment H.R. 4780, to continue certain provisions of the Second War Powers Act until June 30, 1946 (pp. 12503-3, 12510-3, 12515-6, 12524). Rejected, 30-3, committee amendment which would have continued these provision until Dec. 31, 1946 (pp. 12515-6, 12524). The provisions include ICC's emergency powers over motor and water carriers; authority to take possession of property before condemnation proceedings have been completed; priorities, allocation, and rationing powers; and Federal Reserve's authority to purchase Government securities directly from the Treasury.

The Senate report states: "It is understood by the committee in recommending the extension to December 31, 1946, instead of June 30, 1946, as passed by the House, that it is the intention of the Office of War Mobilization and Reconversion and of the various agencies affected to lift all controls as rapidly as possible. It is also understood by the committee that it will be the purpose of



the Office of War Mobilization and Reconversion not to ask for another extension of the Second War Powers Act but, within the extended period provided by the pending act, to make specific recommendations to the Congress if future conditions should indicate that any controls should be maintained for a longer period.

3. RURAL REHABILITATION. Passed as reported S. 704, to authorize the Secretary of Agriculture to continue administration of and ultimately liquidate Federal rural rehabilitation projects (pp. 12514, 12529). Sen. Fulbright, Ark., stated, "The purpose of the bill is to permit the Secretary of Agriculture to give preference to veterans in the disposition of lands, primarily lands under the Farm Security Administration."
4. VETERANS; HOUSING. Agreed to Sen. Johnston's (S.C.) motion to concur in the House amendment to S.J. Res. 122, to provide adequate housing for veterans (p. 12528). (For provisions see Digest 225.) The measure will now be sent to the President.
5. STRATEGIC MATERIALS. Agreed to Sen. O'Mahoney's (Wyo.) motion to make the unfinished business S. 752, to develop domestic sources of supply of strategic and critical materials where possible by creating stock piles of such materials which are not present in sufficient quantities in the U.S., or which cannot be supplied in sufficient quantities during an emergency period. (pp. 12529-30).
6. NOMINATIONS. Received the President's nominations for representatives of UNO: E. R. Stettinius, Jr., Sen. Connally (Tex.), Sen. Vandenberg (Mich.), and Mrs. A.E. Roosevelt; and as alternates: Rep. Bloom (N.Y.), Rep. Eaton (N.J.), Frank C. Walker, John Foster Dulles, and J.E. Townsend, Jr. (pp. 12509-10). The Foreign Relations Committee reported favorably on the nominations.  
Confirmed the nomination of C. E. Gauss to be a member of the Export-Import Bank Board of Directors (pp. 12530, 12531).
7. RESEARCH. Sen. Langer, N.Dak., inserted a N. Dak. MVA Committee resolution urging appointment of a fact-finding commission on scientific research, in connection with the MVA project, to provide for development of rural and industrial electrification, natural resources, flood control, wildlife conservation and values, timber and grass lands, and irrigation and reclamation facilities (p. 12496).

#### HOUSE

8. GI BILL AMENDMENTS; FARM LOANS. House agreed, 134-23, to second conference report on H.R. 3749, to liberalize loans to veterans (pp. 12552-9). Senate received this report (pp. 12525-8). (For provisions of the report see Digest 224).
9. ARMED-FORCES UNIFICATION. Both Houses received the President's message recommending unification of the War and Navy Departments and reiterating his proposal for universal military training (pp. 12495, 12573-6).
10. UNO BILL. Both Houses agreed to the conference report on this bill, S. 1580 (pp. 12508-9, 12548-9). This bill will now be sent to the President.
11. TRANSPORTATION. Passed without amendment S. 914, to permit the Treasury Department to designate freight forwarders as carriers of bonded merchandise (p. 12572). This bill will now be sent to the President.
12. GRAZING LANDS; FORESTRY. Received a Colo. Legislative memorial urging investigation of the administration of national forests with a view to giving all Federal land for grazing purposes the same uniform, reasonable, and just treatment. To Public Lands Committee. (p. 12578.)



## NAYS—31

Austin	Langer	Tobey
Bilbo	McClellan	Tydings
Brooks	Millikin	Vandenberg
Byrd	Moore	Wherry
Capper	O'Daniel	White
Gurney	Revercomb	Wiley
Hart	Saltonstall	Willis
Hickenlooper	Shipstead	Wilson
Hoey	Smith	Young
Knowland	Stanfill	
La Follette	Taft	

## NOT VOTING—35

Aiken	Capehart	Lucas
Andrews	Connally	McFarland
Bailey	Cordon	Magnuson
Ball	Donnell	Morse
Bankhead	Downey	Murray
Barkley	Eastland	Myers
Brewster	Ferguson	Overton
Bridges	George	Reed
Briggs	Gerry	Robertson
Buck	Glass	Thomas, Okla.
Bushfield	Guffey	Thomas, Utah
Butler	Hawkes	

So the committee amendment was rejected.

Mr. WHERRY. Mr. President, I move that the vote by which the committee amendment was rejected be reconsidered.

Mr. TAFT. I move that the motion be laid on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Ohio.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is before the Senate and open to further amendment. If there be no amendment to be offered, the question is on the engrossment of the amendment and the third reading of the bill.

Mr. HILL. Mr. President, on this question I ask for the yeas and nays.

Mr. LA FOLLETTE. I make the point of order that the announcement has been made by the Chair, and the request comes too late.

The PRESIDING OFFICER. The third reading of the bill is in order.

The question is on the third reading of the bill.

The bill was ordered to a third reading and was read the third time.

The PRESIDING OFFICER. The question is on the final passage of the bill.

Mr. McMAHON and Mr. O'DANIEL asked for the yeas and nays.

The yeas and nays were not ordered.

The PRESIDING OFFICER. The question is, Shall the bill pass?

The bill (H. R. 4780) was passed.

AMENDMENTS TO GI BILL OF RIGHTS—  
CONFERENCE REPORT

Mr. JOHNSON of Colorado submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3749) to amend the Servicemen's Readjustment Act of 1944 to provide for a readjustment allowance for all veterans of World War II, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "That the second sentence of section 100 of

the Servicemen's Readjustment Act of 1944, as amended, is amended to read as follows: "The Administrator is authorized, for the purpose of extending benefits to veterans and dependents, and to the extent he deems necessary, to procure the necessary space for administrative, clinical, medical, and outpatient treatment purposes by lease, purchase, or construction of buildings; or by condemnation or declaration of taking, pursuant to existing statutes."

"SEC. 2. Section 104 of the Servicemen's Readjustment Act of 1944, as amended, is amended by striking out the second paragraph thereof and inserting in lieu thereof the following:

"Any veteran entitled to a prosthetic appliance shall be furnished such fitting and training, including institutional training, in the use of such appliance as may be necessary, whether in a Veterans' Administration facility, other training institution, or by outpatient treatment, including such service under contract and including necessary travel expenses to and from their homes to such hospital or training institution.

"The Administrator may procure any and all items mentioned herein, including necessary services required in the fitting, supplying, and training in use of such items by purchase, manufacture, contract, or in such other manner as the Administrator may determine to be proper without regard to any other provision of law."

"SEC. 3. Section 200 of the Servicemen's Readjustment Act of 1944, as amended, is amended by adding at the end thereof the following new subsection:

"(c) The Administrator is further authorized at his discretion and under such regulations as he may prescribe to furnish, if available, necessary space and suitable office facilities for the use of paid full-time representatives of such organizations."

"SEC. 4. Section 302 (a) of the Servicemen's Readjustment Act of 1944, as amended, is amended to read as follows:

"SEC. 302. (a) The Secretary of War, the Secretary of the Navy, and the Secretary of the Treasury are authorized and directed to establish, from time to time, boards of review composed of five commissioned officers, two of whom shall be selected from the Medical Corps of the Army or Navy, or from the Public Health Service, as the case may be. It shall be the duty of any such board to review, at the request of any officer retired or released from active service, without pay, for physical disability pursuant to the decision of a retiring board, board of medical survey, or disposition board, the findings and decisions of such board. Such review shall be based upon all available service records relating to the officer requesting such review, and such other evidence as may be presented by such officer. Witnesses shall be permitted to present testimony either in person or by affidavit, and the officer requesting review shall be allowed to appear before such board of review in person or by counsel. In carrying out its duties under this section such board of review shall have the same powers as exercised by, or vested in, the board whose findings and decision are being reviewed. The proceedings and decision of each such board of review affirming or reversing the decision of any such retiring board, board of medical survey, or disposition board shall be transmitted to the Secretary of War, the Secretary of the Navy, or the Secretary of the Treasury, as the case may be, and shall be laid by him before the President for his approval or disapproval and orders in the case."

"SEC. 5. (a) Paragraph 1 of part VII of Veterans Regulation Numbered 1 (a), as amended, is amended to read as follows:

"1. Any person who served in the active military or naval service on or after September 16, 1940, and prior to the termination of the present war, and who shall have been discharged or released therefrom under con-

ditions other than dishonorable, and who either shall have served ninety days or more, exclusive of any period he was assigned for a course of education or training under the Army specialized training program or the Navy college training program, which course was a continuation of his civilian course and was pursued to completion, or as a cadet or midshipman at one of the service academies, or shall have been discharged or released from active service by reason of an actual service-incurred injury or disability, shall be eligible for and entitled to receive education or training under this part: *Provided*, That such course shall be initiated not later than four years after either the date of his discharge or the termination of the present war, whichever is the later: *Provided further*, That no such education or training shall be afforded beyond nine years after the termination of the present war."

"(b) Paragraph 2 of part VIII of such Regulation is amended to read as follows:

"2. Any such eligible person shall be entitled to education or training at an approved educational or training institution for a period of one year plus the time such person was in the active service on or after September 16, 1940, and before the termination of the war, exclusive of any period he was assigned for a course of education or training under the Army specialized training program or the Navy college training program, which course was a continuation of his civilian course and was pursued to completion, or as a cadet or midshipman at one of the service academies, but in no event shall the total period of education or training exceed four years: *Provided*, That his work continues to be satisfactory throughout the period, according to the regularly prescribed standards and practices of the institution: *Provided further*, That wherever the period of eligibility ends during a quarter or semester and after a major part of such quarter or semester has expired, such period shall be extended to the termination of such unexpired quarter or semester."

"(c) Paragraph 3 of part VIII of such Regulation is amended to read as follows:

"3. (a) Such person shall be eligible for and entitled to such course of education or training, full time or the equivalent thereof in part-time training, as he may elect, and at any approved educational or training institution at which he chooses to enroll, whether or not located in the State in which he resides, which will accept or retain him as a student or trainee in any field or branch of knowledge which such institution finds him qualified to undertake or pursue: *Provided*, That for reasons satisfactory to the Administrator, he may change a course of instruction: *And provided further*, That any such course of education or training may be discontinued at any time, if it is found by the Administrator that, according to the regularly prescribed standards and practices of the institution, the conduct or progress of such person is unsatisfactory.

"(b) Any such eligible person may apply for a short, intensive post-graduate, or training course of less than 30 weeks: *Provided*, That the Administrator shall have the authority to contract with approved institutions for such courses if he finds that the agreed cost of such courses is reasonable and fair: *Provided further*, That (1) the limitation of paragraph 5 shall not prevent the payment of such agreed rates, but there shall be charged against the veteran's period of eligibility the proportion of an ordinary school year which the cost of the course bears to \$500, and (2) not in excess of \$500 shall be paid for any such course.

"(c) Any such eligible person may apply for a course of instruction by correspondence without any subsistence allowance: *Provided*, That the Administrator shall have authority to contract with approved institutions for such courses if he finds that the agreed cost of such courses is reasonable and fair:



*Provided further*, (1) That the provisions of paragraph 5 shall not apply to correspondence courses; (2) that one-fourth of the elapsed time in following such course shall be charged against the veteran's period of eligibility; and (3) that the total amount payable for a correspondence course or courses for any veteran shall not exceed \$500: *And provided further*, That nothing herein shall be construed to preclude the use of approved correspondence courses as a part of institutional or job training, subject to regulations prescribed by the Administrator.

"(d) Paragraph 5 of part VIII of such Regulation is amended to read as follows:

"(5) The Administrator shall pay to the educational or training institution, for each person enrolled in full time or part time course of education or training, the customary cost of tuition, and such laboratory, library, health, infirmary, and other similar fees as are customarily charged, and may pay for books, supplies, equipment, and other necessary expenses, exclusive of board, lodging, other living expenses, and travel, as are generally required for the successful pursuit and completion of the course by other students in the institution: *Provided*, That in no event shall such payments, with respect to any person, exceed \$500 for an ordinary school year unless the veteran elects to have such customary charges paid in excess of such limitation, in which event there shall be charged against his period of eligibility the proportion of an ordinary school year which such excess bears to \$500: *Provided further*, That no payments shall be made to institutions, business or other establishments furnishing apprentice training on the job: *And provided further*, That any institution may apply to the Administrator for an adjustment of tuition and the Administrator, if he finds that the customary tuition charges are insufficient to permit the institution to furnish education or training, to eligible veterans, or inadequate compensation therefor, may provide for the payment of such fair and reasonable compensation as will not exceed the estimated cost of teaching personnel and supplies for instruction; and may in like manner readjust such payments from time to time."

"(e) Effective on the first day of the first calendar month subsequent to the date of enactment of this Act, the first sentence of paragraph 6 of part VIII of such Regulation is amended to read as follows:

"While enrolled in and pursuing a course under this part, such person, upon application to the Administrator, shall be paid a subsistence allowance of \$65 per month, if without a dependent or dependents, or \$90 per month, if he has a dependent or dependents, including regular holidays and leave not exceeding thirty days in a calendar year."

"(f) Paragraph 7 of part VIII of such Regulation is amended to read as follows:

"7. Any such person eligible for the benefits of this part, who is also eligible for the benefit of part VII, may elect either benefit or may be provided an approved combination of such courses: *Provided*, That the total period of any such combined courses shall not exceed the maximum period or limitations under the part affording the greater period of eligibility."

"SEC. 6. Section 4 of Public Law Numbered 16, Seventy-eighth Congress, as added by section 402 of the Servicemen's Readjustment Act of 1944, is amended by striking out the period at the end thereof and inserting in lieu thereof a colon and the following: '*Provided further*, That returned books, supplies, or equipment may be turned in to educational or training institutions for credit under such terms as may be approved by the Administrator, or disposed of in such other manner as may be approved by the Administrator."

"SEC. 7 (a) The proviso in paragraph 1 of part VII of Veterans Regulation Numbered 1

(a), as amended, is amended to read as follows: '*Provided*, That no course of training in excess of a period of four years shall be approved except with the approval of the Administrator, nor shall any training under this part be afforded beyond nine years after the termination of the present war.'

"(b) Effective on the first day of the first calendar month subsequent to the date of enactment of this Act, paragraph 3 of part VII of Veterans Regulation Numbered 1 (a), as amended, is amended to read as follows:

"3. While pursuing training prescribed herein, and for two months after his employability is determined, each veteran shall be paid the amount of subsistence allowance specified in paragraph 6 of part VIII of Veterans Regulation Numbered 1 (a), as amended: *Provided*, That the minimum payment of such allowance, plus any pension or other benefit, shall be, for a person without a dependent, \$105 per month; and for a person with a dependent, \$115, plus the following amounts for additional dependents: (1) \$10 for one child and \$7 additional for each additional child, and (2) \$15 for a dependent parent: *Provided further*, That the rates set out herein shall not be subject to the increased authorized by Public Law Numbered 312, Seventy-eighth Congress, approved May 27, 1944: *And provided further*, That when the course of vocational rehabilitation furnished to any person as herein provided consists of training on the job by an employer, such employer shall be required to submit monthly to the Administrator a statement in writing showing any wage, compensation, or other income paid by him to such person during the month, directly or indirectly, and based upon such written statements, the Administrator is authorized to reduce the subsistence allowance of such person to an amount considered equitable and just."

"SEC. 8. Title III of the Servicemen's Readjustment Act of 1944, as amended, is amended to read as follows:

"TITLE III—LOANS FOR THE PURCHASE OR CONSTRUCTION OF HOMES, FARMS, AND BUSINESS PROPERTY

"CHAPTER V—GENERAL PROVISIONS FOR LOANS

"SEC. 500. (a) Any person who shall have served in the active military or naval service of the United States at any time on or after September 16, 1940, and prior to the termination of the present war and who shall have been discharged or released therefrom under conditions other than dishonorable after active service of ninety days or more, or by reason of an injury or disability incurred in service in line of duty, shall be eligible for the benefits of this title. Any loan made by such veteran within ten years after the termination of the war for any of the purposes, and in compliance with the provisions, specified in this title, is automatically guaranteed by the Government by this title in an amount not exceeding fifty per centum of the loan: *Provided*, That the aggregate amount guaranteed shall not exceed \$2,000 in the case of non-real-estate loans, nor \$4,000 in the case of real-estate loans; or a prorated portion thereof on loans of both types or combination thereof."

"(b) Loans guaranteed under this title shall be payable under such terms and conditions as may be agreed upon by the parties thereto, subject to the conditions and limitations of this title and the regulations issued pursuant to section 504: *Provided*, That the liability under the guaranty within the limitations of this title shall decrease or increase pro rata with any decrease or increase of the amount of the unpaid portion of the obligation: *Provided further*, That loans guaranteed under this title shall bear interest at a rate not exceeding four per centum per annum and shall be payable in full in not more than twenty-five years, or in the case of loans on farm realty in not more than forty years: *And provided further*, That (1) the maturity on a non-real-estate loan shall not exceed ten years; (2) any loan for a term in

excess of five years shall be amortized in accordance with established procedure; (3) except as provided in section 505 any real-estate loan, other than for repairs, alterations or improvements, shall be secured by a first lien on the realty, and a non-real-estate loan, except as to working of other capital, merchandise, good will and other intangible assets, shall be secured by personalty to the extent legal and practicable.

"(c) An honorable discharge shall be deemed a certificate of eligibility to apply for a guaranteed loan. Any veteran who does not have a discharge certificate, or who received a discharge other than honorable, may apply to the Administrator for a certificate of eligibility. Upon making a loan as provided herein, the lender shall forthwith transmit to the Administrator a statement setting forth the full name and serial number of the veteran, amount and terms of the loan, and the legal description of the property, together with the appraisal report made by the designated appraiser. Where the loan is automatically guaranteed, the Administrator shall provide the lender with a loan guaranty certificate or other evidence of the guaranty. He shall also endorse on the veteran's discharge, or eligibility certificate, the amount and type of guaranty used, and the amount, if any, remaining. An amount equivalent to four per centum on the amount originally guaranteed shall be paid to the lender by the Administrator out of available appropriations, to be credited upon the loan. Nothing herein shall be deemed to preclude the assignment of any guaranteed loan nor the assignment of the security therefor."

"(d) Loans guaranteed hereunder may be made by any Federal land bank, national bank, State bank, private bank, building and loan association, insurance company, credit union, or mortgage and loan company, that is subject to examination and supervision by an agency of the United States or of any State or Territory, including the District of Columbia. Any loan at least twenty per centum of which is guaranteed under this title may be made by any national bank, or Federal savings and loan association; or by any bank, trust company, building and loan association or insurance company organized or authorized to do business in the District of Columbia; without regard to the limitations and restrictions of any other statute with respect to—

"(1) ratio of amount of loan to the value of the property;

"(2) maturity of loan;

"(3) requirement for mortgage or other security;

"(4) dignity of lien; or

"(5) percentage of assets which may be invested in real estate loans."

"(e) Any loan proposed to be made to an eligible veteran by any lender not of a class specified in subsection (d) may be guaranteed by the Administrator, if he finds that it is in accord otherwise with the provisions of this title, as amended."

"PURCHASE OR CONSTRUCTION OF HOMES

"SEC. 501. Any loan made to a veteran under this title, the proceeds of which are to be used for purchasing residential property or constructing a dwelling to be occupied as his home or for the purpose of making repairs, alterations, or improvements in property owned by him and occupied as his home, is automatically guaranteed if made pursuant to the provisions of this title, including the following:

"(1) That the proceeds of such loan will be used for payment of the property purchased or constructed or improved;

"(2) That the contemplated terms of payment required in any mortgage to be given in part payment of the purchase price or the construction cost bear a proper relation to the veteran's present and anticipated income and expenses; and that the nature



and condition of the property is such as to be suitable for dwelling purposes; and

"(3) That the price paid or to be paid by the veteran for such property or for the cost of construction, repairs, or alterations does not exceed the reasonable value thereof as determined by proper appraisal made by an appraiser designated by the Administrator.

#### "PURCHASE OF FARMS AND FARM EQUIPMENT

"SEC. 502. Any loan made to a veteran under this title, the proceeds of which are to be used for purchasing any lands, buildings, livestock, equipment, machinery, supplies or implements, or for repairing, altering, constructing or improving any land, equipment, or building, including the farmhouse, to be used in farming operations conducted by the veteran involving production in excess of his own needs, or for working capital requirements necessary for such operations, or to purchase stock in a cooperative association where the purchase of such stock is required by Federal statute as an incident to obtaining the loan, is automatically guaranteed if made pursuant to the provisions of this title, including the following:

"(1) That the proceeds of such loan will be used for any such purposes in connection with bona fide farming operations conducted by the applicant;

"(2) That such property will be useful in and reasonably necessary for efficiently conducting such operations;

"(3) That the ability and experience of the veteran, and the nature of the proposed farming operations to be conducted by him, are such that there is a reasonable likelihood that such operations will be successful; and

"(4) That the purchase price paid or to be paid by the veteran for such property does not exceed the reasonable value thereof as determined by proper appraisal made by an appraiser designated by the Administrator.

#### "PURCHASE OF BUSINESS PROPERTY

"SEC. 503. Any loan made to a veteran under this title, the proceeds of which are to be used for the purpose of engaging in business or pursuing a gainful occupation, or for the cost of acquiring for such purpose land, buildings, supplies, equipment, machinery, tools, inventory, stock in trade, or for the cost of the construction, repair, alteration, or improvement of any realty or personalty used for such purpose, or to provide the funds needed for working capital, is automatically guaranteed if made pursuant to the provisions of this title, including the following:

"(1) That the proceeds of such loan will be used for any of the specified purposes in connection with bona fide pursuit of gainful occupation by the veteran;

"(2) That such property will be useful in and reasonably necessary for the efficient and successful pursuit of such business or occupation;

"(3) That the ability and experience of the veteran, and the conditions under which he proposes to pursue such business or occupation, are such that there is a reasonable likelihood that he will be successful in the pursuit of such business or occupation; and

"(4) That the purchase price paid or to be paid by the veteran for such property, or the cost of such construction, alterations, or improvements, does not exceed the reasonable value thereof as determined by proper appraisal made by an appraiser designated by the Administrator.

#### "REGULATIONS

"SEC. 504. The Administrator is authorized to promulgate such rules and regulations not inconsistent with this title, as amended, as are necessary and appropriate for carrying out the provisions of this title, and may delegate to subordinate employees authority to issue certificates, or other evi-

dence, of guaranty of loans guaranteed under the provisions of this title, and to exercise other administrative functions hereunder.

#### "SECONDARY LOANS

"SEC. 505. (a) In any case wherein a principal loan, for any of the purposes stated in section 501, 502, or 503, is approved by a Federal agency to be made or guaranteed or insured by it pursuant to applicable law and regulations, and the veteran is in need of a second loan to cover the remainder of the purchase price or cost, or a part thereof, the Administrator, subject otherwise to the provisions of this title, may guarantee the full amount of the second loan: *Provided*, That such second loan shall not exceed 20 per centum of the purchase price or cost: *And provided further*, That regulations to be promulgated jointly by the Administrator and the head of such agency may provide for servicing of both loans by such agency and for refinancing of the principal loan to include any unpaid portion of the secondary loan with accrued interest, if any, after the curtailment thereon equals twice the amount of the secondary loan.

"(b) Any person who is a veteran eligible for the benefit of this title, as provided in section 500 hereof, and who is found by the Secretary of Agriculture by reason of his ability and experience, including training as a vocational trainee, to be likely to carry out successfully undertakings required of him under a loan which may be made under the Bankhead-Jones Farm Tenant Act, shall be eligible for the benefits of such Act to the same extent as if he were a farm tenant.

#### "PROCEDURE ON DEFAULT

"SEC. 506. In the event of default in the payment of any loan guaranteed under this title, the holder of the obligation shall notify the Administrator who shall thereupon pay to such holder the guaranty not in excess of the pro rata portion of the amount originally guaranteed, and shall be subrogated to the rights of the holder of the obligation to the extent of the amount paid on the guaranty: *Provided*, That prior to suit or foreclosure the holder of the obligation shall notify the Administrator of the default, and within thirty days thereafter the Administrator may, at his option, pay the holder of the obligation the unpaid balance of the obligation plus accrued interest and receive an assignment of the loan and security: *Provided further*, That (1) nothing herein shall be construed to preclude any forbearance for the benefit of the veteran as may be agreed upon by the parties to the loan and approved by the Administrator; and (2) the Administrator may establish the date, not later than the date of judgment and decree of foreclosure or sale, upon which accrual of interest or charges shall cease.

#### "LOANS ON DELINQUENT INDEBTEDNESS

"SEC. 507. Any loan made to a veteran, the proceeds of which are to be used to refinance any indebtedness of the veteran which is secured of record on property to be used or occupied by the veteran as a home or for farming purposes, or indebtedness incurred by him in the pursuit of a gainful occupation which he is pursuing or which he proposes in good faith to pursue, or any delinquent taxes or assessments on such property or business, is automatically guaranteed if made pursuant to the provisions of this title, including the following:

"(1) Such loan became in default or the delinquency occurred not later than ten years after the termination of the war;

"(2) Such refinancing will aid the veteran in his economic readjustment; and

"(3) The amount of the guaranteed loan does not exceed the reasonable value of the property or business, as determined by proper appraisal made by an appraiser designated by the Administrator.

#### "INSURANCE OF LOANS

"SEC. 508. (a) Any loans which might be guaranteed under the provisions of this title, when made or purchased by any financial institution subject to examination and supervision by an agency of the United States or of any State or Territory, including the District of Columbia, may, in lieu of such guaranty, be insured by the Administrator under an agreement whereby he will reimburse any such institution for losses incurred on such loan up to 15 per centum of the aggregate of loans so made or purchased by it.

"(b) Loans insured hereunder shall be made on such other terms, conditions, and restrictions as the Administrator may prescribe within the limitations set forth in this title. The Administrator may fix the maximum rate of interest payable on any class of non-real-estate loans insured hereunder at a figure not in excess of a 3 per centum discount rate or an equivalent straight interest rate on nonamortized loans.

"(c) The Administrator shall pay the same amount on each loan insured hereunder as he would be required to pay under the sixth sentence of section 500 (c) hereof if the loan were guaranteed rather than insured.

#### "POWERS OF ADMINISTRATOR

"SEC. 509. (a) With respect to matters arising by reason of this title as now or hereafter amended and, notwithstanding the provisions of any other law, the Administrator may—

"(1) Sue and be sued in his official capacity in any court of competent jurisdiction, State or Federal;

"(2) Subject to specific limitations in this Act, consent to the modification, with respect to rate of interest, time of payment of principal or interest or any portion thereof, security or other provisions of any note, contract, mortgage or other instrument securing a loan which has been guaranteed or insured hereunder;

"(3) Pay, or compromise, any claim on, or arising because of, any such guaranty or insurance;

"(4) Pay, compromise, waive, or release any right, title, claim, lien or demand, however acquired, including any equity or any right of redemption;

"(5) Purchase at any sale, public or private, upon such terms and for such prices as he determines to be reasonable, and take title to, property, real, personal, or mixed; and similarly sell, at public or private sale, exchange, assign, convey, or otherwise dispose of any such property; and

"(6) Complete, administer, operate, obtain and pay for insurance on, and maintain, renovate, repair, modernize, lease, or otherwise deal with any property acquired or held pursuant to this title: *Provided*, That the acquisition of any such property shall not deprive any State or political subdivision thereof of its civil or criminal jurisdiction of, on, or over such property (including power to tax) or impair the rights under the State or local law of any persons on such property.

"(b) The powers by this section granted may be exercised by the Administrator without regard to any other provisions of law not enacted expressly in limitation hereof, which otherwise would govern the expenditure of public funds: *Provided*, That section 3709 of the Revised Statutes shall apply to any contract for services or supplies on account of any property acquired pursuant to this section if the amount of such contract exceeds \$1,000.

"(c) The financial transactions of the Administrator incident to, or arising out of, the guaranty of loans pursuant to this title, and the acquisition, management, and disposition of property, real, personal or mixed, as incident to such activities and pursuant to this section, shall be final and conclusive upon all officers of the Government.



## "EFFECTIVE DATE"

"SEC. 510. This title, as amended, shall be effective from the date of enactment: *Provided*, That any application for guaranty of a loan filed within ninety days after such date may be approved under the title as it existed prior to amendment: *And provided further*, That nothing herein shall be construed to affect any contractual right under any certificate of guaranty issued thereunder."

"SEC. 9. Section 1505 of the Servicemen's Readjustment Act of 1944, as amended, is hereby repealed."

"SEC. 10. Title VI of the Servicemen's Readjustment Act of 1944, as amended, is amended by adding at the end thereof the following new sections:

"SEC. 1506. Persons who served in the active military or naval service of any government allied with the United States in World War II and who at time of entrance into such active service were citizens of the United States shall, by virtue of such service, and if otherwise qualified, be entitled to the benefits of titles II, III, IV, and V of this Act or of Public Law 16, Seventy-eighth Congress, in the same manner and to the same extent as persons who served in the active military or naval service of the United States: *Provided*, That any such benefit shall not be extended to any person who is not a resident of the United States at time of filing claim or to any person who has applied for and received the same or similar benefit from the government of the nation in whose active military or naval service he served."

"SEC. 1507. Notwithstanding the provisions of section 1503, any person while on terminal leave, or while hospitalized pending final discharge, may be afforded the benefits of titles II and III of this Act, or vocational rehabilitation training under Public Law 16, Seventy-eighth Congress, as amended, subject to all conditions thereof except actual discharge: *Provided*, That no subsistence allowance shall be paid in such cases under title II of this Act or Public Law 16, Seventy-eighth Congress. This section shall be effective from June 22, 1944."

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill, and agree to the same.

WALTER F. GEORGE,  
TOM CONNALLY,  
ED. C. JOHNSON,  
ROBERT M. LA FOLLETTE, Jr.,  
E. D. MILLIKIN,

*Managers on the Part of the Senate.*

J. E. RANKIN,  
A. LEONARD ALLEN,  
JAMES DOMENGEAUX,  
EDITH NOURSE ROGERS,  
PAUL CUNNINGHAM,

*Managers on the Part of the House.*

Mr. JOHNSON of Colorado. Mr. President, I move the adoption of the conference report.

The PRESIDING OFFICER. The question is on the adoption of the conference report.

## HOUSING FACILITIES FOR SERVICEMEN AND THEIR FAMILIES

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the joint resolution (S. J. Res. 122) to amend section 502 of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended, to authorize an additional appropriation for the purpose of providing housing for distressed families of servicemen and for veterans and their families, and for other purposes, which was, on

page 2, line 8, after "housing" insert "*And provided further*, That any educational institution, State or political subdivision thereof, local public agency, or nonprofit organization which has incurred expenses in the relocation (including the costs of disassembling, transporting, site preparation, and re-erection but not including the costs of site acquisition or the installation of off-site utilities) of temporary housing or other facilities (but not including demountable houses) under the jurisdiction or control of the National Housing Administrator for re-use in providing temporary housing for distressed families of servicemen and for veterans and their families shall, upon application therefor, be reimbursed for such expenses by said Administrator out of the funds made available by the First Deficiency Appropriation Act, 1946 (H. R. 4805) to carry out the purpose of this title."

Mr. JOHNSTON of South Carolina. I move that the Senate concur in the House amendment.

Mr. MEAD. Mr. President, in the conference report on the first deficiency bill, 1946, there appears the following statement as to an amendment which, I understand, is still in disagreement:

Amendment No. 43, making an appropriation of \$191,900,000 for veterans' housing: That the House concur in the amendment of the Senate with the understanding that the amount of \$191,900,000 shall be construed as including any unused funds under title I of the Lanham Act which may be made available for veterans' housing.

I presume that the conferees meant the unused part of title I of the Lanham Act authorization, because there was an authorization of \$160,000,000 in the resolution which passed the Senate a few days ago, and there was a \$35,000,000 authorization in title I of the Lanham Act. Together they make a total of \$195,000,000. I presume that reference is made in the conference report to the unused portion of the money under title I of the Lanham Act authorization.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from South Carolina [Mr. JOHNSTON].

Mr. TAFT. Mr. President, what is the motion?

The PRESIDENT pro tempore. The motion was made by the Senator from South Carolina that the Senate concur in the House amendment to Senate Joint Resolution 122.

The motion was agreed to.

## ADMISSION TO THE UNITED STATES OF ALIEN WIVES AND CHILDREN OF VETERANS

Mr. RUSSELL. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 867, House bill 4857.

The PRESIDENT pro tempore. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 4857) to expedite the admission to the United States of alien spouses and alien minor children of citizen members of the United States armed forces.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Georgia?

Mr. TAFT. Mr. President, reserving the right to object, I ask the acting majority leader whether the calendar will be called tomorrow?

Mr. HILL. Mr. President, if at all possible, it is our intention to dispose of the strategic minerals bill, and then call the calendar.

Mr. O'MAHONEY. Mr. President, if the Senator will yield, I desire to make an announcement.

Mr. HILL. I yield.

Mr. O'MAHONEY. I have just cast my eyes over the vote which was taken a few moments ago on the committee amendment. I find that the motion to reconsider the vote by which the committee amendment was rejected was made by a Senator who voted against the committee amendment; namely, the junior Senator from Nebraska [Mr. WHERRY]. Therefore, Mr. President, I challenge the vote and move a reconsideration of the vote by which the motion to reconsider the amendment was laid on the table.

Mr. LA FOLLETTE. Mr. President—

The PRESIDENT pro tempore. The Chair will state that the Senator from Nebraska voted with the prevailing side, and had a right to make the motion which he made.

Mr. O'MAHONEY. Did the Senator from Nebraska vote with the prevailing side?

The PRESIDENT pro tempore. He did. He voted "nay" and the nays prevailed.

Mr. TAFT. Mr. President, I think we should not consider the various bills which Senators are asking the Senate to consider until tomorrow, providing that we may be assured that there will be a call of the calendar. I suggest that the calendar might be called even before the strategic minerals bill is considered.

Mr. HILL. I understand that the distinguished Senator from Wyoming believes that the disposition of the strategic minerals bill will not take very long.

Mr. O'MAHONEY. My thought is that it will not take very long.

Mr. HILL. Then, after the disposition of that bill it will be my intention to have the calendar called.

Mr. WHITE. Does the Senator mean tonight?

Mr. HILL. No; tomorrow.

Mr. JOHNSON of Colorado. Mr. President, I am in charge of a bill of tremendous importance. I refer to Calendar No. 871, House bill 4717 to establish a department of medicine and surgery in the Veterans' Administration. I hope that by tomorrow I will have an opportunity to have the bill considered. It is a bill which would reorganize the medical department of the Veterans' Administration. I am sorry to have such an important bill on the deadline.

Mr. LA FOLLETTE. Mr. President, as a member of the subcommittee of the Veterans' Committee of the Committee on Finance, of which the able Senator from Colorado is chairman, I wish to join with him in urging the majority leader—





United States  
of America

# Congressional Record

PROCEEDINGS AND DEBATES OF THE 79<sup>th</sup> CONGRESS, FIRST SESSION

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No. 226

## Senate

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

God our Father, in the midst of the caroling joy of this happy season, when universal good will bathes even frigid zones with the warm breezes of the heavenly tropics, may we see with new eyes, as again the Christ Child comes to a world where ill will has wrought such horror, that He is set for the falling and rising of nations—that He does not stay in the manger—He walks in our world of pretense and greed and self-seeking—and that where He goes the judgment of God goes with him. Who shall stand when He appeareth? For he is like a refiner's fire. As He is truth, so His presence floodlights our falseness; as He is wisdom, so His presence uncovers our selfish follies; as He is love, so His presence bares the smoldering hate that we try to hide from one another.

O Thou whose eternal love is refining fire, Christmas tells us that we men and all our works are in the furnace. Cleanse our hearts to abide this day of Thy coming. In the dear Redeemer's name. Amen.

### THE JOURNAL

On request of Mr. HILL, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, December 18, 1945, was dispensed with, and the Journal was approved.

### MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the joint resolution (S. J. Res. 122) to amend section 502 of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended, to authorize an additional appropriation for the purpose of providing housing for distressed families of servicemen and for veterans and their families, and for other purposes, with an amendment in which

it requested the concurrence of the Senate.

The message also announced that the House insisted upon its amendments to the bill (S. 1580) to provide for the appointment of representatives of the United States in the organs and agencies of the United Nations, and to make other provision with respect to the participation of the United States in such organization, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. BLOOM, Mr. LUTHER A. JOHNSON, and Mr. EATON were appointed managers on the part of the House at the conference.

The message also announced that the House had passed a joint resolution (H. J. Res. 294) fixing the date of meeting of the second session of the Seventy-ninth Congress, in which it requested the concurrence of the Senate.

MESSAGE FROM THE PRESIDENT—UNIVERSAL MILITARY SERVICE AND UNIFICATION OF THE ARMED FORCES (H. DOC. NO. 392)

The PRESIDENT pro tempore. The Chair lays before the Senate a message from the President of the United States, and the Chair suggests that it might be advisable to have a quorum call.

Mr. HILL. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Austin	Hill	Radcliffe
Ball	Hoey	Revercomb
Barkley	Huffman	Russell
Bilbo	Johnson, Colo.	Saltonstall
Brewster	Johnston, S. C.	Shipstead
Brooks	Kilgore	Smith
Bushfield	Knowland	Stanfill
Byrd	La Follette	Stewart
Capehart	Langer	Taft
Capper	Lucas	Taylor
Carville	McCarran	Thomas, Utah
Chavez	McClellan	Tobey
Connally	McKellar	Tunnell
Downey	McMahon	Tydings
Ellender	Maybank	Vandenberg
Ferguson	Mead	Wagner
Fulbright	Millikin	Walsh
Gossett	Mitchell	Wherry
Green	Moore	White
Gurney	Morse	Wiley
Hart	Murdock	Willis
Hatch	O'Daniel	Wilson
Hayden	O'Mahoney	Young
Hickenlooper	Pepper	

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] and the Senator from Arizona [Mr. McFARLAND] are absent because of illness.

The Senator from Florida [Mr. ANDREWS], the Senator from North Carolina [Mr. BAILEY], the Senator from Alabama [Mr. BANKHEAD], the Senator from Mississippi [Mr. EASTLAND], the Senator from Georgia [Mr. GEORGE], the Senator from Rhode Island [Mr. GERRY], and the Senator from Louisiana [Mr. OVERTON] are necessarily absent.

The Senator from Missouri [Mr. BRIGGS], the Senators from Pennsylvania [Mr. GUFFEY and Mr. MYERS], the Senator from Washington [Mr. MAGNUSON], and the Senator from Montana [Mr. MURRAY] are detained on public business.

The Senator from Oklahoma [Mr. THOMAS] is absent on official business.

Mr. WHERRY. The Senator from Vermont [Mr. AIKEN] has been excused. He is necessarily absent.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Delaware [Mr. BUCK], the Senator from New Jersey [Mr. HAWKES], and the Senator from Wyoming [Mr. ROBERTSON] are necessarily absent.

The Senator from Nebraska [Mr. BUTLER] and the Senator from Oregon [Mr. CORDON] are absent on official business.

The Senator from Missouri [Mr. DONNELL] has been excused.

The Senator from Kansas [Mr. REED] is necessarily absent on important business.

The PRESIDENT pro tempore. Seventy-one Senators having answered to their names, a quorum is present.

The message from the President of the United States will now be read.

The message was read by the Chief Clerk, as follows:

[For President's message, see p. 12573 of House proceedings in today's RECORD.]

The PRESIDENT pro tempore. The message will be referred to the Committee on Military Affairs and will be printed.

### PROHIBITION AGAINST DRAFTING MEN HAVING CHILDREN

Mr. REVERCOMB. Mr. President, at this time I desire to call up for consid-



eration the written motion which I filed yesterday.

The PRESIDENT pro tempore. Consideration of the motion would not be in order at this time. We are under the head of Petitions and Memorials in the morning business of the Senate, and the motion to which the Senator has referred must be postponed for a few minutes.

Mr. REVERCOMB. Mr. President, I was advised that the motion could be taken up only during the morning hour.

The PRESIDENT pro tempore. The motion will be laid before the Senate by the Chair immediately following the call for introduction of concurrent and other resolutions.

Mr. REVERCOMB. Then I shall ask for recognition by the Chair at that time.

#### ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on December 18, 1945, he presented to the President of the United States the following enrolled bills:

S. 362. An act to amend the act entitled "An act for the relief of certain settlers in the town site of Ketchum, Idaho," approved July 11, 1940, so as to extend for 3 years the time for making application for benefits thereunder; and

S. 1366. An act to authorize the State of Tennessee to convey a railroad right-of-way through Montgomery Bell Park.

#### SUPPLEMENTAL ESTIMATE — FEDERAL WORKS AGENCY (S. DOC. NO. 131)

The PRESIDENT pro tempore laid before the Senate a communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Federal Works Agency, amounting to \$5,575,000, fiscal year 1946 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

#### SCIENTIFIC RESEARCH FACT-FINDING COMMISSION

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution adopted by the executive committee of the North Dakota Committee of One Hundred and Six for a Missouri Valley Authority on December 1, 1945, at Jamestown, N. Dak., relating to the appointment of a fact-finding commission for scientific research.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas

1. Control of the forces of nature should be a permanent and everlasting objective and which is an ever-challenging problem to man.

2. That such attempts to control the forces and resources of nature must of necessity be feasible and economical and done in such a manner that the benefits to be derived from such a project shall benefit the greatest number of people.

3. That before construction on a project of this kind be started our every resource of scientific research be bent to the task of investigating and fact finding to determine the objectives and benefits that may be derived from such a project, especially as they will effect the social and economic well-being of our people.

4. It appears to this committee that there has been insufficient research work proposed or done in connection with the proposed

Army Engineers-Reclamation Bureau construction plan, particularly as to what will be its effect upon the welfare of the people throughout the river basin.

5. That in the development of any Missouri River plan, consideration must of necessity be given the following objectives:

(a) Development of soil conservation practices on a broad scale.

(b) Development of rural and industrial electrification to the extent that potential power can be made available.

(c) Development of economically feasible irrigation.

(d) Development of economically feasible navigation.

(e) Development of parks and broad recreational facilities.

(f) Development of wild life values.

(g) Development of higher ground-water levels.

(h) Development of a river basin plan that will inundate the minimum economically valuable land areas.

(i) Development of flood control.

6. That in the course of research as referred to above which must precede any extensive construction, a study must be made of the natural resources that will be affected, both physical and biological, and the probable destruction we will have of such resources as:

(a) Coal deposits.

(b) Grasslands.

(c) Timberland.

(d) Productive cultivated agricultural lands.

(e) Oil deposits.

(f) Agricultural and business properties and improvements.

(g) Wildlife.

7. It appears to this committee that all of the Federal research agencies who must study and carry out research programs in the Missouri Basin to determine the above-outlined objectives have as yet not been given an opportunity to do so.

8. It further appears that no such comprehensive research work is even contemplated by the Army engineers-Reclamation Bureau before they plan beginning their construction work.

9. According to the report made by Warren J. Meade, of the Massachusetts Institute of Technology, and internationally reputable geologist, when employed by the Army engineers in 1932 to make findings as to the feasibility of constructing a dam at Garrison such proposed construction was reported impractical from an engineering standpoint and unsafe for residents of the basin.

10. It appears from the testimony of the Solicitor General of the Department of Interior that an act of Congress will be necessary to permit the taking and using of Indian lands of the Fort Berthold Reservation, and that no such act of Congress modifying the Indian Lands Treaty has been introduced or enacted: Therefore be it

*Resolved*, That we urgently and respectfully request:

1. That the President of the United States immediately appoint a fact-finding commission supplied with adequate resources for scientific research.

2. That this commission study all existing proposals in the light of their economic and sociological impact upon the various resources we have enumerated and their relation to a coordinated over-all plan and report such finding and recommendations to the President.

3. That such commission specifically investigate the engineering feasibility of the proposed Garrison Dam project and that such investigation be made by independent technicians, engineers, and geologists who have had no prior connection with either the Army engineers, the Bureau of Reclamation, or the T. V. A. in view of the find-

ings reported by Warren J. Meade that the proposed Garrison Dam was unsafe.

Respectfully yours,

O. W. ZETTER,

Secretary, North Dakota Committee  
for MVA, Bismarck, N. Dak.

#### REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. HUFFMAN, from the Committee on Claims:

S. 991. A bill for the relief of Marion M. Hill; with amendments (Rept. No. 863);

S. 1400. A bill for the relief of Robert R. Rowe, Jr.; with an amendment (Rept. No. 864);

H. R. 873. A bill for the relief of Mrs. Bessie S. Edmonds; without amendment (Rept. No. 865); and

H. R. 1251. A bill for the relief of the Irvine Co.; without amendment (Rept. No. 866).

By Mr. O'DANIEL, from the Committee on Claims:

H. R. 207. A bill for the relief of Edgar Kaigler; without amendment (Rept. No. 867);

H. R. 919. A bill for the relief of Gladys Elvira Maurer; without amendment (Rept. No. 868);

H. R. 1250. A bill for the relief of Roy S. Councilman; without amendment (Rept. No. 869);

H. R. 1796. A bill for the relief of Mr. and Mrs. J. L. Lamb; without amendment (Rept. No. 870); and

H. R. 2644. A bill for the relief of Eli Richmond; without amendment (Rept. No. 871).

By Mr. ELLENDER, from the Committee on Claims:

S. 323. A bill for the relief of Thomas F. Gray; without amendment (Rept. No. 872);

S. 1423. A bill for the relief of Charles L. Phillips; without amendment (Rept. No. 873);

S. 1528. A bill for the relief of Mrs. Lona Wilson; without amendment (Rept. No. 874);

H. R. 915. A bill for the relief of Fairview School District No. 90, Pratt County, Kans.; without amendment (Rept. No. 876).

H. R. 1348. A bill for the relief of estate of Gordon T. Gorham and others; without amendment (Rept. No. 885);

H. R. 1836. A bill for the relief of Viola Theriaque; without amendment (Rept. No. 875);

H. R. 1879. A bill for the relief of Rev. Neal Dewese, Mrs. Minnie Dewese, Raymond Dewese, and the estate of Lon Thurman, deceased; without amendment (Rept. No. 877);

H. R. 3124. A bill for the relief of Mrs. Gliscila Sante; without amendment (Rept. No. 882); and

H. R. 3277. A bill for the relief of Mrs. Katie Sanders; without amendment (Rept. No. 879).

By Mr. KILGORE, from the Committee on Claims:

S. 400. A bill for the relief of Elisabeth Andersen; without amendment (Rept. No. 886);

H. R. 2666. A bill for the relief of Oscar N. McLean; without amendment (Rept. No. 881); and

H. R. 3303. A bill for the relief of A. M. Strauss; without amendment (Rept. No. 878).

By Mr. CAPPER, from the Committee on Claims:

H. R. 2332. A bill for the relief of Henry P. King and G. B. Morgan, Sr.; without amendment (Rept. No. 884).

By Mr. WHERRY, from the Committee on Claims:

H. R. 1234. A bill for the relief of Percy Allen; without amendment (Rept. No. 883); and



country. The enactment of this bill will also permit the extension of these leases if technical difficulties involved in the return of the silver make redelivery impossible during the period fixed in the present law.

As of December 13, 1945, the Treasury held approximately 1,580,000,000 ounces of silver as security for silver certificates, and 436,776,875 ounces of free silver. One hundred and seventy-three million ounces of the free silver are to be monetized under an authorization of the Secretary of the Treasury of July 5, 1945, leaving 263,776,875 ounces available for coinage and for industrial uses.

Enactment of this bill has been recommended by the Secretary of the Treasury in a letter to the chairman of the committee as follows:

DECEMBER 6, 1945.

MY DEAR MR. CHAIRMAN: Reference is made to your letter of December 5, 1945, requesting a report on H. R. 4590, to authorize the use by industry of silver held or owned by the United States.

Enactment of the bill will enable the Treasury to continue selling silver to American industry for manufacturing uses. It is unlikely that domestic production of silver and imports of silver will be sufficient to satisfy the demands of industry for a considerable period of time. A shortage of silver for industrial use would interfere with reconversion and the maintenance of high levels of production and, accordingly, authority for the Treasury to sell silver to industry would greatly assist in the adjustment from a wartime to a peacetime economy.

With respect to leases, the bill would permit the extension, if necessary, of two leases which are now outstanding and which will terminate 6 months after the cessation of hostilities in the present war, as proclaimed by the President. The War Department holds nearly 475,000,000 ounces under lease and the Reconstruction Finance Corporation holds slightly more than 400,000,000 ounces. The silver is used in bus bars located in aluminum and magnesium plants throughout the country and in the War Department's atomic bomb plant in Tennessee.

For the reasons stated above, the Treasury Department recommends that H. R. 4590 be enacted.

The Department has been advised by the Bureau of the Budget that there is no objection to the submission of this report to your committee.

Very truly yours,

FRED M. VINSON,  
Secretary of the Treasury.

Mr. WHITE. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WHITE: On page 1, line 10, after the words "not less than", strike out "71.11 cents" and insert "\$1.2929."

The SPEAKER. The gentleman from Idaho is recognized for 5 minutes in support of his amendment.

Mr. WHITE. Mr. Speaker, I ask unanimous consent to proceed for an additional 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Idaho?

There was no objection.

Mr. WHITE. Mr. Speaker, in offering this amendment I am guided largely by the present situation in the use of silver that has been obtained by the Government.

Mr. Speaker, this amendment will raise the price of Government-owned silver to be sold to the jewelers and manufacturing trade to the value of the silver in the standard silver dollar. The people

of this country have accepted, and there is now in use, over \$2,000,000,000 in silver money in the form of silver dollars and silver certificates at the coinage value of \$1.29 per ounce.

The Treasury has recently lend-leased 600,000,000 ounces of silver to the British Empire, practically all of which the British have proceeded to coin and put into circulation, in most cases at a coinage value higher than the price this amendment proposes to establish, as you will note from the following table obtained from the Treasury Department:

Value of ounce of silver in silver currency in the British Empire

Australia	\$1.1146
Indian rupee (1½ fine)	.8728
Indian rupee (0.500 fine)	1.5950
Canada	1.6366
Egypt	1.2797
Ireland	1.4790
New Zealand	2.0688

Every ounce of silver that the Government owns should be put into circulation as money which will reduce the amount of bonds our Government must sell to pay current expenses and the added interest by that much.

If the manufacturing and jewelry trade must buy Government silver, why should not they pay as much for it as the people who accepted the United States or British money in exchange for their goods and services? If there is any industry that has profited during the war period and are making enormous profits now, it is the jewelry trade. Step into any jewelry store and compare prices now with those before the war, and you will easily verify this statement. Jewelry stores have increased by the thousands since the war began, and the price of all kinds of silver jewelry and silverware has gone up.

Let me quote from an article I have just read today in the Pathfinder, dated December 19, 1945:

#### PRICES AND PLAIN TALK

On New York's swank Fifth Avenue the casual shopper could pay \$32.50 for a child's linen suit; \$150 for men's pajamas and matching robes; \$95 for nightgowns; \$155 for a woman's slack suit (sweater extra); \$1,936 for a silver fish platter.

Think of \$1,936 for a silver fish platter. Price silver jewelry anywhere and you will find the price all out of line and way higher than the coinage value of the good old American silver dollar. The last time I was in New York, I was surprised to find a lot of the ordinary run of old-style silver dollars bearing the head of the Goddess of Liberty prominently displayed in the shop windows at \$2 each. I was at a loss to understand how an ordinary silver dollar could be sold for \$2 even in New York when any holder of a dollar silver certificate can have it redeemed and obtain a silver dollar in exchange. The image of the head of the Goddess of Liberty on the old-style silver dollar, hard to obtain in New York, may have been the reason for the inflated price.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. WHITE. I yield briefly.

Mr. AUGUST H. ANDRESEN. I have examined this bill and I note it comes

from the Committee on Banking and Currency. The distinguished gentleman from Idaho is chairman of the Committee on Coinage, Weights, and Measures to which this type of legislation should be referred. I would like to know why the Committee on Coinage, Weights, and Measures did not have this bill for consideration.

Mr. WHITE. I think the bill is entitled to come to the Committee on Coinage, Weights, and Measures. By a long line of precedents, that committee has always had legislation of this kind, with the exception of the fact that when the price of silver was set that legislation was referred to the Ways and Means Committee, due to the tax feature in the silver legislation. This bill does not contain a tax feature, and I do not understand why the bill was not referred to the Committee on Coinage, Weights, and Measures.

This is such an important piece of legislation that I cannot understand the policy of the leadership in rushing a bill of this kind through the House without consideration. This subject takes more explaining than I can make to the House in the brief 10 minutes at my disposal.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. WHITE. I yield.

Mr. AUGUST H. ANDRESEN. The gentleman will recall that he has in mind a country-wide investigation to determine the uses to which silver may be put economically. Would not that be in line with this bill?

Mr. WHITE. That would be right in line with this bill. This bill should have been referred to the Committee on Coinage, Weights, and Measures, so we could have investigated the situation of silver, a subject that is often misunderstood and at best but little understood by the people of the country and the Members of the House. Under the law today there is no price set at 71.11 cents for silver. The law provides that when a miner brings his silver to the mint it will be minted into silver dollars, that the Treasury will retain 45 percent of those dollars and give back to the miner 55 percent.

Since the Silver Purchase Act was passed in 1934, the Government has obtained 506,125,000 ounces of domestic silver, for which it has paid \$362,196,000.

According to information just obtained from the Treasury which is inserted here:

DECEMBER 19, 1945, 10:45 A. M.

Mr. Neff, Treasury, dictated the following on purchases by the mints and assay offices of newly minted domestic silver:

Year:	Ounces	Dollars
1934	21.8	14.1
1935	38.0	27.3
1936	61.1	47.3
1937	70.6	51.6
1938	61.6	42.2
1939	60.7	40.1
1940	68.3	48.5
1941	70.5	50.1
1942	47.9	34.0
1943	5.5	3.9
1944	.125	.096
1945	506.125	362.196

NOTE.—The ounces and dollars are in the millions, for example the first 21.8 is 21,800,000, etc.



Prices	Cents per ounce
1934 to Apr. 9, 1935-----	64.64
Apr. 9 to Apr. 23, 1935-----	71.11
Apr. 23, 1935, to Dec. 31, 1937-----	77.57
Dec. 31, 1937, to July 1, 1939-----	64.64
July 1, 1939-----	71.11

Mr. Neff said he would call back to give ounces and dollars for the 11 months in 1945. These amounts are negligible.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield for a further observation?

Mr. WHITE. I yield.

Mr. AUGUST H. ANDRESEN. We all recognize the gentleman as one of the great silver experts of the country and we are sorry his committee did not have an opportunity to consider this bill so he could have elucidated more fully to us what the silver situation is.

Mr. WHITE. I yield to the smiling chairman of the Committee on Banking and Currency.

Mr. SPENCE. Mr. Speaker, this bill came to the Committee on Banking and Currency in the ordinary processes of reference of legislation. We did not seek it.

Mr. WHITE. I thank the gentleman for his explanation.

Mr. SPENCE. We had no intention of interfering with the gentleman's jurisdiction, but the bill having been referred to our committee and we having assumed jurisdiction we believe we are entitled to present it in the House; and I want to see the bill passed.

Mr. WHITE. Mr. Speaker, I refuse to yield further.

Now it is proposed by this bill that we take the silver that has been accumulated by the Government, and by every right should be put in circulation as money, and hand it over to the jewelers, a class that has made more money during the war than any other, at a price of 71.11 an ounce.

My amendment calls for this silver to be sold at the coinage price of silver, at \$1.29. I hope the committee will support my amendment and that the money of the taxpayers that is invested in silver may not be used to let the jewelers make a profit represented between the 71.11 price and the \$1.29 monetary value of the silver to the people who accept silver certificates. We have 200,000,000 silver certificates in circulation at \$1.29 and I see no reason at this time when the taxpayers are overloaded with debt why we should make a concession to the jewelers and silversmiths by selling this silver to them at 71.11.

I ask that the committee support my amendment to make the sale price of this silver \$1.29.

Mr. MARTIN of Massachusetts. Mr. Speaker, I rise in opposition to the amendment.

The SPEAKER. The gentleman from Massachusetts is recognized.

Mr. MARTIN of Massachusetts. Mr. Speaker, I am opposed to the amendment offered by the gentleman from Idaho. We all understand he is one of the great monetary experts of the country and we would not dare dispute him upon monetary questions. But this is not a monetary question, it is a business proposi-

tion; it is a question of trying to do something to get silver into the hands of industry to help in a little measure solve the unemployment problem next year. It is inconceivable we would let huge quantities of silver lay idle in the Treasury and force many thousands of people out of work. Silver factories, jewelry factories, watch-case factories and many kindred industries. The motion-picture industry is also interested. The silver-mining interests would stand in their own light if they permitted these customers to be destroyed. I do not believe the Congress wants at this time to set prices which would be contrary to the Treasury.

I am in favor of this bill and hope the amendment will be rejected.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. McCORMACK. The purpose of this bill is to get this metal into the hands of the silversmiths. The monetary question is not involved. This is merely a continuance of existing law which expires at the end of this month.

Mr. MARTIN of Massachusetts. We have already passed this bill three times in the House by unanimous consent.

Mr. McCORMACK. This has to do with the OPA ceiling prices and if the amendment offered by the gentleman from Idaho is adopted, this particular line of activity might as well go out of business?

Mr. MARTIN of Massachusetts. That is true.

The SPEAKER. The question is on the amendment offered by the gentleman from Idaho [Mr. WHITE].

The question was taken; and on a division (demanded by Mr. WHITE) there were—ayes 4, noes 160.

So the amendment was rejected.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

House Resolution 465 was laid on the table.

A motion to reconsider was laid on the table.

#### AMENDMENTS TO SERVICEMEN'S READJUSTMENT ACT OF 1944

Mr. RANKIN. Mr. Speaker, I call up the conference report on the bill (H. R. 3749) to amend the Servicemen's Readjustment Act of 1944, to provide for a readjustment allowance for all veterans of World War II, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of December 17, 1945.)

Mr. RANKIN. Mr. Speaker, in order that Members may understand just what this bill does, or what changes it makes in the present law, I desire to explain it briefly.

This measure, H. R. 3749, contains some very important changes in the so-called GI bill of rights, the Servicemen's Readjustment Act of 1944, including changes in Public Law 16, Seventy-eighth Congress, pertaining to the rehabilitation of persons disabled in service since September 16, 1940.

Briefly, the important changes are:

#### ADMINISTRATIVE PROVISIONS

The act makes permanent the authority of the Administrator to procure necessary space for administrative, clinical, medical and out-patient treatment purposes, by lease, purchase, or construction of buildings, or by condemnation or declaration of taking. Under existing law this authority is limited to the present war and 6 months thereafter.

#### ARTIFICIAL LIMBS, OTHER APPLIANCES, AND RELATED SERVICES

Provision is made to insure ample authority governing the procurement of prosthetic appliances and services in connection therewith to disabled veterans, including travel expenses.

#### SPACE FOR SERVICE ORGANIZATIONS

The Administrator is authorized, at his discretion and under such regulations as he may prescribe, to furnish, if available, necessary space and suitable office facilities for the use of paid, full-time representatives of veterans' organizations specified in section 200, Public Law 844, Seventy-fourth Congress, June 29, 1936, and such other national organizations recognized by the Administrator thereunder, in the presentation of claims under laws administered by the Veterans' Administration.

#### DISABILITY RETIREMENT

The present provision permits review of findings and decisions of retiring boards of the War or Navy Departments. The new act clarifies the intent by including findings and decisions of boards of medical survey and disposition boards.

#### EDUCATION AND TRAINING

Extension of time: The act extends the time from 2 to 4 years after either the date of his discharge or the termination of the war whichever is the later, to initiate a course; and extends the time within which education or training may be afforded from 7 to 9 years after the termination of the war.

Requirement of showing of interruption of education by service removed: The new act eliminates the requirement in the law that veterans show that education was interrupted by service, and because of such change, it strikes out the 25-year age limitation on presumption of interruption of education.

Reference to refresher or retraining course removed: There are stricken from the present law the references to a refresher or retraining course, and in effect the new act provides that the veteran will be afforded approved education or training for a period of 1 year plus the time he was in the active service, not to exceed a total of 4 years.

Short intensive courses: There are authorized short intensive courses under contracts with approved institutions, with pro rata acceleration, or foreshortening, of period of eligibility, but the



cost of any such course may not exceed \$500.

Correspondence courses: Provision is made for instruction by correspondence courses, without subsistence allowances, subject to contracts as to rates, charging one-fourth of the elapsed time used in following such courses against the veteran's period of eligibility. The total amount payable for a correspondence course or courses is limited to \$500.

Adjustment of fees to public institutions: The Administrator is authorized to make an adjustment of fees in the case of public institutions, if he finds upon application by the institution that customary charges are insufficient to permit the furnishing of education or training to eligible veterans or inadequate compensation therefor, on an over-all plan and based on showing of need of assistance to meet the educational demands under the Federal program. The estimated cost may be fixed—by regulation if desirable—instead of the actual cost—only by agreement—and the veteran may elect to fore-shorten his period of eligibility by having all customary charges in excess of \$500 paid. Since section 1505 is repealed there is thereby removed the chief obstacle to the proper operation of these provisions.

Subsistence allowances increased: The monthly subsistence allowances are increased from \$50 to \$65 in the cases of veterans without dependents, and from \$75 to \$90 in the cases of veterans with dependents.

Combination of courses: Provision is made for approved combination of courses under part VIII—education and training—and part VII—vocational rehabilitation—of Veterans Regulation No. 1 (a), as amended, except that the total period of combined courses must not exceed the maximum period or limitations under the part affording the greater period of eligibility.

Return of books, supplies, or equipment: There is authorized the release of returned books, supplies, or equipment, to educational or training institutions for credit, or the disposition thereof otherwise, without regard to limitations on disposition of surplus property generally.

VOCATIONAL REHABILITATION, PUBLIC LAW 16,  
SEVENTY-EIGHTH CONGRESS

Extension of time: The Administrator is permitted to approve courses under Public Law 16, relating to vocational rehabilitation of service disabled, beyond the 4-year period fixed in existing law and there is also extended from 6 to 9 years after the end of the war the time within which training may be furnished, to conform to the amendments made in part VIII.

Monthly rates under Public Law 16 increased: The new act provides that the disabled veteran, while pursuing training and for 2 months after his employability is determined, will be paid the amount of subsistence allowance specified in paragraph 6 of part VIII, Veterans Regulation No. 1 (a), as amended—the education and training provisions, title II, *supra*. It establishes a minimum rate of \$105 for a veteran without dependents, \$115 with a dependent, and \$10 per month addi-

tional for a child, \$7 for each additional child and \$15 for a dependent parent. Under existing law, while a veteran may receive additional pension while pursuing a course of training, the amount payable cannot exceed the rates for total temporary disability—such rate for a veteran without dependents being \$92.50 per month. The effect of the amendment is to permit the disabled veteran to receive subsistence allowances at the sums payable under part VIII relating to education and training plus whatever pension he is entitled to under existing law, but with a prescribed minimum, to protect the disabled veterans with low rate of pension.

GUARANTY OF LOANS FOR HOMES, FARMS, AND  
BUSINESS PURPOSES

This title of the Servicemen's Readjustment Act is revised materially, the most important changes being as follows:

First. Any loan made by any of the prescribed lending agencies to an eligible veteran within 10 years after the end of the war in compliance with the terms and conditions of the title is automatically guaranteed in an amount not in excess of 50 percent of the loan. In place of the present predetermination of the Veterans' Administration that a proposed loan may be guaranteed it provides that a loan is automatically guaranteed by virtue of the lender and the veteran having consummated a loan in full compliance with the specific provisions of the title, one of which is that the purchase price or cost does not exceed the reasonable value as determined by proper appraisal made by an appraiser designated by the Administrator of Veterans' Affairs. The terms of the loan may be as agreed upon by the lender and the veteran subject to the provisions of the law and regulations adopted pursuant to law. The Veterans' Administration upon determining that a loan has been automatically guaranteed is authorized to issue a certificate of guaranty. Loans to be made by lenders other than those supervised by State or Federal agencies must be approved in advance by the Veterans' Administration in order to be guaranteed.

Second. The aggregate amount of the guaranty in the case of a non-real-estate loan may not exceed \$2,000 and in the case of a real-estate loan, \$4,000, or in a proportionate amount in combination loans or in two loans of either type.

Third. The interest may not exceed 4 percent.

Fourth. The Administrator is authorized to pay an amount equivalent to 4 percent on the amount originally guaranteed rather than payment of interest for the first year.

Fifth. The maturity on amortized loans on real estate may not exceed 25 years, or in case of farm realty 40 years, and the maturity on non-real-estate loans shall not exceed 10 years.

Sixth. Makes clear that the veteran may purchase a lot out of the proceeds of a loan designed to finance the construction of a home on that lot.

Seventh. Omits the word "normal" from the phrase "reasonable normal value" in connection with appraisals.

Eighth. Broadens the act so that loans can be made for every ordinary farming purpose.

Ninth. Broadens the business-loan provisions to permit any normal business enterprise to be financed initially.

Tenth. Broadens the refinancing of existing indebtedness to cover all types of loans, with restrictions.

Eleventh. Extends and declares the powers of the Administrator to perform functions under the loan provisions, principally with respect to suits, payment of claims, compromises, property administration, and the like.

Twelfth. Adds a plan permitting the Administrator to insure any loan made by supervised lending agencies which otherwise might be made under title III, as amended. Such insurance will be issued in lieu of a guaranty, to be issued direct to the lending institutions under procedure giving them not to exceed a 15-percent coverage and to be issued only to supervised lending institutions or financial institutions purchasing such loans from the original lending institution. The Administrator is authorized to prescribe, by regulation, terms and conditions and to establish the interest rate not to exceed 3 percent discount or a flat equivalent rate.

Thirteenth. The guaranteed loans may be made by any ordinary lending agency which is subject to examination and supervision by an agency of the United States or of any State or Territory, including the District of Columbia. Restrictions of Federal laws are removed as to certain institutions subject to Federal supervision with respect to the following—as to any loan at least 20 percent of which is guaranteed under the title, and, of course, limited to such governmental loans: (a) Ratio of amount of loan to the value of the property; (b) maturity of loan; (c) requirement for mortgage or other security; (d) dignity of lien; and (e) percentage of assets which may be invested in real-estate loans.

Fourteenth. Lenders not of one of the specified classes may make guaranteed loans only in the event the loan is approved in advance by the Administrator of Veterans' Affairs.

Fifteenth. The provisions pertaining to secondary loans, section 505, are modified to conform to new procedure, and the provision that the rate of interest on the second loan shall not exceed that on the principal loan by more than 1 percent is omitted.

Sixteenth. Provision is made to protect contractual rights under loan guaranties issued under the original act, and to authorize the approval of applications filed at any time within 90 days after the effective date of the new act, in order to permit the continued processing of loan applications pending the issuance of necessary instructions and regulations under the amendatory legislation.

MISCELLANEOUS PROVISIONS

Section 1505, relating to deductions from any future adjusted compensation repealed: Section 1505 of the law relating to charges and deductions of benefits under the Servicemen's Readjustment Act against benefits under any adjusted compensation law is repealed.

Citizens of United States who performed active military or naval service with Allied governments: The new act



extends to persons who served in the active military or naval service of Allied governments and who were citizens of the United States at the time of entrance into such service, the benefits of the Servicemen's Readjustment Act as well as the vocational rehabilitation provisions of Public Law 16, Seventy-eighth Congress, to the same extent as in the case of persons who served in our own armed forces. It is provided, however, that these benefits will be extended only to persons who are residents of the United States at the time of filing claim and who are not receiving similar benefits from the government of the Allied nation concerned.

Persons on terminal leave or hospitalized pending final discharge: There are extended the benefits of education and training and guaranty of loans, and vocational rehabilitation under Public Law 16, Seventy-eighth Congress, to persons while on terminal leave or while hospitalized pending final discharge, with provision that no subsistence allowance would be paid in such cases under title II of the act or Public Law 16. This section is made effective as of June 22, 1944, the date of enactment of the Servicemen's Readjustment Act.

With practically all of these changes I agree. Many of them are most salutary, and should have been included in the original act.

But, Mr. Speaker, there is one phase of this conference report that I do not agree with and for which I cannot take responsibility.

Under the bill as passed by the House and the Senate last year, in other words, under the present law, the money supplied to ex-servicemen for school purposes or the money lost by reason of loans to them, or the money paid as unemployment compensation, was to be deducted from any future adjusted compensation. That provision was eliminated in the conference, over my protest. I disagree with it most violently, because it will probably double the compensation paid to men who come home and do nothing, get on the pay roll as unemployed, and draw \$1,040 for 1 year, for 52 weeks, and then probably later when an adjusted compensation bill is passed they will get not only the \$1,040, but in addition as much as is paid to men who came home and went to work, or get as much in addition as the man who borrowed nothing or who did not get to go to school.

In other words, I think it is a discrimination against about 90 percent of the servicemen of this country coming out of this war. If we pay any adjusted compensation at all, there is nothing that can be done about it unless the House desires to vote down this conference report. If they do that, then I have an amendment to offer to restore that provision and to accept the balance of the conference report. I make this statement to you because it is going to be said, "Oh, this bill does not bind any future Congress."

That is not an answer to anything. No bill ever binds a future Congress. Congress can change the law at any time, but the chances are that it will not be changed, and the further chances are that this discrimination will face every Member of Congress from now on every

time he meets an ex-serviceman who has done his duty in this war and who came back and asked for nothing but went home, stripped off his uniform, and went to work.

Mr. HARNESS of Indiana. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Indiana.

Mr. HARNESS of Indiana. Do I correctly understand the gentleman to mean that one veteran may come home and take advantage of the opportunity under the GI bill to go to school for 4 years at Government expense, and another boy may come home and perhaps go back on the farm or into his little business and get no Government assistance? Then when an adjusted compensation bill comes along they would both be paid the same under that bill? In other words, one boy might get several thousand dollars through his education while the other boy would get nothing, yet when an adjusted compensation bill was passed they would both draw the same?

Mr. RANKIN. That is right.

Mr. HARNESS of Indiana. I agree with the gentleman that it is a rank discrimination against the great majority of the men coming out of the service.

Mr. GRANGER. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Utah.

Mr. GRANGER. I think the gentleman's position is perfectly sound. I believe if we want to be fair with the veterans we should reject the conference report and then the gentleman could offer his motion, and it should be accepted by the House.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Massachusetts.

Mrs. ROGERS of Massachusetts. It seems to me that this money for education or for unemployment should not be charged up against any future bonus. I am receiving no protests from the men who do not plan to ask for an education, but I do hear that if it is to be charged up against the men at some future time they will not take their education. I feel very strongly that this conference report ought to be accepted. We are recessing Friday or Saturday until the 14th of January. I believe the Senate conferees are very insistent upon this provision. I fear we will get no amendment to the GI bill of rights if this conference report is not accepted. Many men want to take their education, want to start their courses early in January, and want to take advantage of the \$4,000 guaranty on loans on homes and on farm land. I can see no discrimination.

Mr. RANKIN. Of course, the gentleman from Massachusetts cannot see that there is any discrimination, because she offered this motion, but I can show the gentlewoman discrimination and I can show it very plainly.

Mrs. ROGERS of Massachusetts. I think others agreed with me heartily. The gentleman signed the report of the conferees. I think everybody else agreed with me. I have always felt it was an unjust discrimination to demand pay-

ment in the future when the men may need the money, if a bonus is paid.

Mr. RANKIN. It was well known to the conferees that I did not agree with it. I am not willing to underwrite such a discrimination against the vast majority of the servicemen.

This unemployment compensation provision, if this measure goes through, will encourage men to stay unemployed. It is causing a great deal of trouble in some sections now. Remember this, the servicemen in the factories where these strikes are going on are not getting any of this benefit at all and they will not get any if this bill goes through.

If this conference report is voted down, what I propose to do is offer a motion to concur in the Senate amendment with an amendment that will simply restore that provision of the bill.

Mr. Speaker, I yield to the gentleman from Kansas.

Mr. SCRIVNER. Mr. Speaker, I hope, in compliance with the request of the chairman of the Committee on World War Veterans' Legislation, that this report is voted down and that the amendment he will propose is adopted. I think it is the opinion of the vast majority of the members of this committee that this provision should stay in this law. It was known at its inception as the equalizer amendment because we knew of instance after instance where a man living at a certain house went into the service and on the same day a youngster from next door went in, in the same organization. The older man, possibly a little more fortunate, due to his years and experience, may have a business or employment to which he can return. He will have no occasion to ask for the \$1,040 unemployment-readjustment allowance. He has a home, either paid for or substantially paid for. He will have no occasion to ask any agency for the guaranty of a portion of a loan. He also has completed his education and will have no occasion to ask for any of the benefits which may very easily in many cases run as high as \$5,000 or \$6,000 on a 4-year educational program. He has served in the same outfit and on the same fronts with the youngster. They come home on the same day. There have been a lot of proposals already for adjusted compensation. That is a matter that must be seriously discussed, worked out, thought out, and given a great deal of prayerful and careful consideration. This older man comes home. Assume that this amended bill becomes law, and that a bill granting \$2,500 adjusted compensation is passed. The older man can make his application for the \$2,500 adjustment compensation. The younger man can make an application for it. That \$2,500, with \$1,040 for unemployment allowance, \$6,000 for education, plus a \$4,000 loan, the younger man could receive benefits approximating \$11,000 to \$13,000 as compared to \$2,500 adjusted compensation for the older man. I have received scores of letters on this bill. At no time for any man who has been in the service has there been any objection by any of them to this provision of the bill. The objection is coming—where from? Why, it is coming from some of the schools who thought perhaps they



might not get as many students as they want if the veteran exercised the prerogative which he should exercise as a mature man as to whether he was going to work or going to school. It is coming from one or two men down at the Veterans' Administration who say this is complicating some of the school reports—and the reports are complicated. But the trouble there is due to the fact that they have written administrative regulations which are not in conformity with the spirit, the intent, and purpose of this bill as originally passed.

I firmly believe that section 1505 is not anything except an act of real justice and it eliminates discrimination and prevents any one person from getting more benefits than someone else who has served at the same time and at the same place and for the same period of time.

Mr. Speaker, one provision of the amended measure, too long delayed, is that increasing allowances to the veterans with service-connected disabilities requiring education to make it possible for him to take his rightful place as a self-supporting citizen. However, this increase should have been separately considered as an amendment of Public, 16, Seventy-eighth Congress, and not in connection with the Readjustment Act.

One other beneficial amendment is one which, I am sure, will be discussed by the gentleman from Iowa [Mr. CUNNINGHAM], that simplifies loan procedures—a reform needed for some months—due to complications arising under burdensome regulations.

[Mr. ALLEN of Louisiana addressed the House. His remarks will appear hereafter in the Appendix.]

Mr. RANKIN. Mr. Speaker, the gentleman from Louisiana [Mr. ALLEN] is unduly excited.

In the first place, the Senate conferees agreed to a compromise that involved only the educational features. If the gentleman from Louisiana had stayed with me, in my opinion we would have got that solution. But now we have got over 300,000 men on the unemployment rolls. You leave this out, and you are paying them \$1,040 each, more than you pay the man who goes home and goes to work.

Now, the gentleman talks about Members of the House dissenting. This will go back to the Senate, and, in my opinion, it will be approved in 30 minutes. If the conference report is voted down, I expect to offer an amendment to put this provision back in the bill in order to eliminate this discrimination which the bill as now written would bring to more than 90 percent of the ex-service-men.

Mr. Speaker, I yield 5 minutes to the gentleman from Iowa [Mr. CUNNINGHAM].

Mr. CUNNINGHAM. Mr. Speaker, nothing has been said as yet about other provisions of the bill. I think they should be before you before you make up your mind about 1505.

This conference report first broadens the power of the Administrator in giving aid to the amputees who need the use of prosthetic appliances. Next it broadens

the power of the Administrator and the Board of Review in regard to veterans who have to go before that Board to have their discharges reviewed and changed if they think any injustice has been dealt them.

Next it gives to the representatives of veterans' organizations recognition in that they can put into the veterans' hospitals and the veterans' facilities a representative to act as a sort of liaison agent between the boy in the bed and the veterans' organizations.

In regard to the education title it increases the subsistence of a single veteran from \$50 to \$65 per month and of one who is married or has a dependent from \$75 to \$90 per month. It completely removes the limitation of age 25 in order to have the veteran qualify for education. In other words, any veteran who served more than 90 days between September 16, 1940, and the termination of the war or discharge will be eligible to all the provisions of the education title.

Next it adds a provision that veterans may take a course in an approved correspondence school. The limitation there is not to exceed \$500 no matter how many years he takes the correspondence course.

Again in the education title the tuition is made cumulative in this way: A veteran, we will say, had 2 years at medical school, law school, or an engineering school at the time he went into the service. Because of his length of service he is entitled to 4 years' schooling, but he only needs 2 years to get his degree and be able to go to work at his profession. We have provided that, if for instance, the tuition is \$700 a year, \$200 above the \$500 originally allowed, that the boy, having a credit of \$2,000 for 4 years' service, may, if he wants to go to school 2 years instead of 4, draw on his accumulated credit and receive \$700 each year for tuition for 2 years as long as he does not exceed the \$2,000 total.

Passing now to the loan title, the loan title has been amended in that on all loans secured by a mortgage on real estate the guaranty is raised to \$4,000. The guaranty remains \$2,000 on all unsecured loans.

As has been stated by the gentleman from Louisiana, the honorable discharge certificate is now the certificate of eligibility and that will cover approximately 90 percent of all veterans. Those who do not have an honorable discharge certificate can go to the Veterans' Administrator and get a certificate of eligibility provided they were not dishonorably discharged.

Mr. SCRIVNER. Mr. Speaker, will the gentleman yield?

Mr. CUNNINGHAM. I yield.

Mr. SCRIVNER. I merely want to comment that this one particular feature simplifies the loan.

Mr. CUNNINGHAM. If the gentleman will permit me to proceed I am sure I will cover it.

As to section 1505, in order to get these other provisions, improvements in the loan title, it was necessary to adopt the Senate provision, taking their view of 1505 or take it out of the bill entirely.

In the matter of the automatic guaranty, it applies to loans made by national

banks, State banks, credit unions, building and loan associations, mortgage companies and insurance companies that are authorized to do business and have complied with the State or local statutes setting them up. They may make the loans and there is an automatic guaranty in this bill provided they do not loan more than the value of the property as fixed by an appraiser designated by the Administrator of Veterans' Affairs. They are not bothered with any further red tape, that is the end of it, the loan is automatically guaranteed if made in accord with the terms of the law. The honorable-discharge certificate is the certificate of eligibility.

The SPEAKER. The time of the gentleman from Iowa has expired.

Mr. RANKIN. Mr. Speaker, I yield the gentleman three additional minutes.

Mr. CUNNINGHAM. In addition to that we have removed the word "normal" from the phrase "reasonable normal value" and now the property is appraised at the reasonable value today, and not "the reasonable normal value" which has been one of the bones of contention in the administration of the loan title.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. CUNNINGHAM. I yield.

Mrs. ROGERS of Massachusetts. Mr. Speaker, the House is about to agree to the conference report on H. R. 3749. I believe the House and Senate conferees have improved the bill granting additional benefits to the veterans which they richly deserve. These are amendments that I wanted to get into the bill when it was before the World War Veterans' Committee.

The Congress on December 19, 1945, approved and sent to the President, H. R. 3749, an act containing very important changes in the so-called GI bill of rights, the Servicemen's Readjustment Act of 1944, including changes in Public Law 16, Seventy-eighth Congress, pertaining to the rehabilitation of persons disabled in service since September 16, 1940.

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under, in the presentation of claims under laws administered by the Veterans' Administration.

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**Requirement of showing of interruption of education by service removed:** The new act eliminates the requirement in the law that veterans show that education was interrupted by service, and because of such change, it strikes out the 25-year-age limitation on presumption of interruption of education.

**Reference to refresher or retraining course removed:** There are stricken from the present law the references to a refresher or retraining course, and in effect the new act provides that the veteran will be afforded approved education or training for a period of 1 year plus the time he was in the active service, not to exceed a total of 4 years.

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#### VOCATIONAL REHABILITATION, PUBLIC LAW 16, SEVENTY-EIGHTH CONGRESS

**Extension of time:** The Administrator is permitted to approve courses under Public Law 16, relating to vocational rehabilitation of service disabled, beyond the 4-year period fixed in existing law and there is also extended from 6 to 9 years after the end of the war the time within which training may be furnished, to conform to the amendments made in part VIII.

**Monthly rates under Public Law 16 increased:** The new act provides that the disabled veteran, while pursuing training and for 2 months after his employability is determined, will be paid the amount of subsistence allowance specified in paragraph 6 of part VIII, Veterans Regulation No. 1 (a), as amended (the education and training provisions, Title II, supra). It establishes a minimum rate of \$105 for a veteran without dependents, \$115 with a dependent, and \$10 per month additional for a child, \$7 for each additional child and \$15 for a dependent parent. Under existing law, while a veteran may receive additional pension while pursuing a course of training, the amount cannot exceed the rates for total temporary disability (such rate for a veteran without dependents being \$92.50 per month). The effect of the amendment is to permit the disabled veteran to receive subsistence allowances at the sums payable under part VIII relating to education and training plus whatever pension he is entitled to under existing law, but with a prescribed minimum, to protect the disabled veterans with low rate of pension.

#### GUARANTY OF LOANS FOR HOMES, FARMS, AND BUSINESS PURPOSES

This title of the Servicemen's Readjustment Act is revised materially, the most important changes being as follows:

**First.** Any loan made by any of the prescribed lending agencies to an eligible veteran within 10 years after the end of the war in compliance with the terms and conditions of the title is automatically guaranteed in an amount not in excess of 50 percent of the loan. In place of the present predetermination of the Veteran's Administration that a proposed loan may be guaranteed it provides that a loan is automatically guaranteed by virtue of the lender and the veteran having consummated a loan in full compliance with the specific provisions of the title, one of which is that the purchase price or cost does not

exceed the reasonable value as determined by proper appraisal made by an appraiser designated by the Administrator of Veterans' Affairs. The terms of the loan may be as agreed upon by the lender and the veteran subject to the provisions of the law and regulations adopted pursuant to law. The Veterans' Administration upon determining that a loan has been automatically guaranteed is authorized to issue a certificate of guaranty. Loans to be made by lenders other than those supervised by State or Federal agencies must be approved in advance by the Veterans' Administration in order to be guaranteed.

**Second.** The aggregate amount of the guaranty in the case of a non-real-estate loan may not exceed \$2,000 and in the case of a real estate loan, \$4,000, or in a proportionate amount in combination loans or in two loans of either type;

**Third.** The interest may not exceed 4 percent.

**Fourth.** The Administrator is authorized to pay an amount equivalent to 4 percent on the amount originally guaranteed rather than payment of interest for the first year.

**Fifth.** The maturity on amortized loans on real estate may not exceed 25 years, or in case of farm realty 40 years, and the maturity on non-real-estate loans shall not exceed 10 years.

**Sixth.** Makes clear that the veteran may purchase a lot out of the proceeds of a loan designed to finance the construction of a home on that lot.

**Seventh.** Omits the word "normal" from the phrase "reasonable normal value" in connection with appraisals.

**Eighth.** Broadens the act so that loans can be made for every ordinary farming purpose.

**Ninth.** Broadens the business-loan provisions to permit any normal business enterprise to be financed initially.

**Tenth.** Broadens the refinancing of existing indebtedness to cover all types of loans, with restrictions.

**Eleventh.** Extends and declares the powers of the Administrator to perform functions under the loan provisions, principally with respect to suits, payment of claims, compromises, property administration and the like.

**Twelfth.** Adds a plan permitting the Administrator to insure any loan made by supervised lending agencies which otherwise might be made under title III, as amended. Such insurance will be issued in lieu of a guaranty, to be issued direct to the lending institutions under procedure giving them not to exceed a 15 percent coverage and to be issued only to supervised lending institutions or financial institutions purchasing such loans from the original lending institution. The Administrator is authorized to prescribe, by regulation, terms and conditions and to establish the interest rate not to exceed 3 percent discount or a flat equivalent rate.

**Thirteenth.** The guaranteed loans may be made by any ordinary lending agency which is subject to examination and supervision by an agency of the United States or of any State or Territory, including the District of Columbia. Restrictions of Federal laws are removed as



to certain institutions subject to Federal supervision with respect to the following—as to any loan at least 20 percent of which is guaranteed under the title, and, of course, limited to such Governmental loans: (a) Ratio of amount of loan to the value of the property; (b) maturity of loan; (c) requirement for mortgage or other security; (d) dignity of lien; and (e) percentage of assets which may be invested in real estate loans.

Fourteenth. Lenders not of one of the specified classes may make guaranteed loans only in the event the loan is approved in advance by the Administrator of Veterans' Affairs.

Fifteenth. The provisions pertaining to secondary loans, section 505, are modified to conform to new procedure, and the provision that the rate of interest on the second loan shall not exceed that on the principal loan by more than 1 percent is omitted;

Sixteenth. Provision is made to protect contractual rights under loan guaranties issued under the original act, and to authorize the approval of applications filed at any time within 90 days after the effective date of the new act, in order to permit the continued processing of loan applications pending the issuance of necessary instructions and regulations under the amendatory legislation.

#### MISCELLANEOUS PROVISIONS

Section 1505, relating to deductions from any future adjusted compensation repealed: Section 1505 of the law relating to charges and deductions of benefits under the Servicemen's Readjustment Act against benefits under any adjusted-compensation law is repealed.

Citizens of United States who performed active military or naval service with Allied governments: The new act extends to persons who served in the active military or naval service of Allied Governments and who were citizens of the United States at the time of entrance into such service the benefits of the Servicemen's Readjustment Act as well as the vocational rehabilitation provisions of Public Law 16, Seventy-eighth Congress, to the same extent as in the case of persons who served in our own armed forces. It is provided, however, that these benefits will be extended only to persons who are residents of the United States at the time of filing claim and who are not receiving similar benefits from the government of the Allied nation concerned.

Persons on terminal leave or hospitalized pending final discharge: There are extended the benefits of education and training and guaranty of loans, and vocational rehabilitation under Public Law 16, Seventy-eighth Congress, to persons while on terminal leave or while hospitalized pending final discharge, with provision that no subsistence allowance would be paid in such cases under title II of the act or Public Law 16. This section is made effective as of June 22, 1944, the date of enactment of the Servicemen's Readjustment Act.

Is it not very important that the age limitation has been removed so that older men whose education was interrupted may continue their education?

Mr. CUNNINGHAM. I have covered that.

Next we have a provision in here on private loans, on loans of individuals, only the guarantee in that case is not automatic; the loan must be approved in that case by the Administrator.

We have broadened the provision for loans on second mortgages.

Lastly, in regard to the provision there, it is now up to the lender to elect whether or not he wishes to lend his money under the guarantee provision or take insurance that he can get from the Veterans' Administration at a discount of 3 percent in lieu of the guaranteed loan. That was put in to make loans more available for the veterans.

We took out the 2-year limitation in which the veteran might apply for his loan after discharge or after the termination of the war and made it 10 years.

Now, coming to 1505, I want to say I agree with the chairman that I would much prefer to have it in the bill, but I want you to know that as we passed the bill in July of this year section 1505 was left in there as in the original law. It went over to the Senate and that body amended it by taking out everything except the loan title. In other words, the Senate removed all of 1505 except that portion that would apply to a loan.

Your House conferees took this position: How could we justify giving the exemption to all except those who get a loan in the event of a bonus in the future. Here is a lad who received a four or five thousand dollar education, and another boy who secured a loan with a guarantee of \$4,000, but he is unfortunate and loses his business or his farm. The Government has to make good and pay the guarantee for him. A bonus comes along and for the boy who got the loan it is deducted from his bonus but for the boy who got the education it is not deducted.

The SPEAKER pro tempore. The time of the gentleman from Iowa has again expired.

Mr. RANKIN. Mr. Speaker, I yield the gentleman two additional minutes.

Mr. CUNNINGHAM. Mr. Speaker, the same thing would apply to a boy who would get up to \$1,040, \$20 a week for 52 weeks' unemployment compensation. A bonus would come along and that would not be deducted, the education part of it would not be deducted, but the poor boy who got a loan and could not pay it back would have it deducted.

We said to the Senate conferees that we could not stand for that discrimination. This is what happened: They came back and said that there is a distinction between a loan, compensation, and education. They said that education is something that builds up the community. They tried to make a fine-haired distinction, which the gentleman from Minnesota [Mr. JUDD] will bring out in his question. Finally, they were opposed to this automatic guarantee, they were opposed to the honorable discharge certificate part of it, and it came down to the question that perhaps we would have had to report in disagreement. We either had to accept the Senate version of 1505, agree to take it out

completely, or they would not agree to the provisions in the loan title.

Everything the gentleman from Mississippi has said is correct. As I stated, I would like to see it in, but in order to get a bill we had to agree to one of two alternatives, either accept the Senate provision or take out 1505 entirely. We were not unanimous, but the majority of the conferees on the part of the House agreed to take it out entirely and get the other provisions of the bill.

Mr. JUDD. Mr. Speaker, will the gentleman yield?

Mr. CUNNINGHAM. I yield to the gentleman from Minnesota.

Mr. JUDD. I would like to ask the gentleman's frank opinion on this: If at some future time there is voted by the Congress adjusted compensation for veterans, does the gentleman really think there will be deducted from that compensation any benefits veterans have received under the GI Act for whatever purpose?

Mr. CUNNINGHAM. I do not know. This Congress cannot bind a future one. Regardless of whether 1505 is left out, any future Congress can do as it pleases. The reason this has come up and is a problem now is that there was some evidence it was discouraging certain veterans from going to college without that being taken out or accepting the Senate amendment.

The SPEAKER pro tempore. The time of the gentleman from Iowa has again expired.

Mr. RANKIN. Mr. Speaker, I agree with the gentleman from Iowa [Mr. CUNNINGHAM]. He and I have agreed rather thoroughly on this legislation. I agree with the provision that he referred to and if this conference report is voted down and my amendment is adopted, it will not disturb a single one of them, except the one to which he referred.

The gentleman from Minnesota [Mr. JUDD] raised this question, Do you think that any future legislation will take any of this out of the adjusted compensation?

What I am trying to do is restore that provision that is in the present law, and if it stays there, you will not have to legislate on it. Now the gentleman's statement is an admission that if this conference report is adopted, then you are going to discriminate against about 90 percent of the men who fought in this war.

Mr. JUDD. Oh, no.

Mr. RANKIN. Oh, yes; you are. You are paying unemployment compensation, or you are paying extra money for schooling, or you are paying for losses on loans—to about 10 percent of the men in the service, and 90 percent of the men, just as good soldiers, sailors, and marines, as the world ever saw, men who came home to their families, stripped off their uniforms and went to work, you discriminate against to the amount of the extra pay these others receive.

Mr. JUDD. Mr. Speaker, if the gentleman will yield further, my only point is this: Are not the definite advantages of accepting this conference report and getting this bill passed now of much greater value to the veterans than any possible disadvantage or discrimination



that the gentleman alleges might occur if at some future date adjusted compensation legislation is passed?

Mr. RANKIN. Do not get excited. The Senate will accept this amendment in 30 minutes, in my opinion. It will not go over to January. The Senate is still in session. They will not let this bill go over on this proposition.

Mr. Speaker, I yield 3 minutes to the gentleman from Georgia [Mr. PACE].

(Mr. PACE asked and was given permission to revise and extend his remarks in the RECORD.)

Mr. PACE. Mr. Speaker, of course it is unpleasant to disagree with my distinguished colleague from Mississippi. Section 1505 should never have been put in the law and it should now be taken out. I do not believe that the Congress wants the veteran to pay his own unemployment compensation. It is no more discriminatory to the other veterans than it is under the social-security law to the millions of men who stay on the job working, and do not have to draw unemployment compensation. That is not discrimination. Neither do I believe this Congress intended that the veterans should have to pay for their own education. That is not what we promised them. We promised them when they went into the service, when they offered their lives in defense of their country, that when they came home, if they wanted it, they would have the opportunity of an education in any school or college or university in this country. Look at the injustice of this. If a veteran attends a college in his own State, the Government has to pay one tuition. If he wants to go to college in another State, they have to pay a higher tuition. Do you mean to tell me that that should be charged against that veteran? Do you mean to tell me that this Congress ever intended that the soldier or sailor himself had to pay his unemployment compensation when he came home and could not get a job. Do you mean to tell me that you want to tell the veterans of this country, "Yes, we have passed the GI bill of rights; yes, we have provided an education for you, but we want you to know we are going to make you pay for it." I do not think this Congress and the people of this country ever intended such a thing, and you should adopt this conference report and thereby knock section 1505 out of the present law.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. PACE. I yield to the gentleman from Mississippi.

Mr. RANKIN. That was in the law last year, and the gentleman from Georgia voted for it.

Mr. PACE. I voted for the GI bill because we had to vote for the conference report or else, and the gentleman knows it. It should never have been put in there, and this is our first opportunity to knock it out.

Mr. BROWN of Georgia. Mr. Speaker, will the gentleman yield?

Mr. PACE. I yield to the gentleman from Georgia.

Mr. BROWN of Georgia. The gentleman knows, too, that the veterans who fought this war want this section 1505 stricken out.

Mr. PACE. Absolutely, they want it stricken out and it should be. I agree with my colleague thoroughly.

Mr. BROWN of Georgia. Practically everyone in my State does.

Mr. RANKIN. Mr. Speaker, I yield 1 minute to the gentleman from Illinois [Mr. MASON].

Mr. MASON. Mr. Speaker, the gentleman who has just spoken said we never intended that the veteran should pay for his own education or should pay for his unemployment compensation or should pay for a default on the loans. Of course, we did not, and we do not intend to in this bill. But who is going to pay for it? The 90 percent that do not take advantage will have to pay for it. That is exactly who will have to pay for it, because it has to come out of the taxes. So whether he pays or not, the 90 percent are going to be injured by this additional pay.

Mr. RANKIN. It took the gentleman from Georgia [Mr. PACE] a long time to get excited over this proposition, because it has been in the law for over a year, and he voted for it.

But the amount they get for education will probably amount to several times the amount of the adjusted compensation. Now, really all we propose to do is to provide that what he receives for education be deducted from his adjusted compensation, provided an adjusted compensation is paid later. Even then he would come out far better than his comrade who does not get to go to school; for the amount paid on his schooling will probably amount to many times the amount of his adjusted compensation.

We are not sure any adjusted compensation bill will be enacted, but I will tell the gentleman from Georgia now, and I will tell all the rest of you, that if you adopt this conference report I am going to do my best to make you vote on a bill to pay every one of these boys who served 90 days or more \$20 a week for 12 months, just what you are paying a man for doing nothing.

I want to say another thing to the gentleman from Georgia. Cotton is rotting in the field in Georgia, Mississippi, Louisiana, Texas, and other States because some people were taking advantage of this law who could have been in the field at work, and would have been if this provision were not in the bill.

Mr. PACE. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Georgia.

Mr. PACE. The only reply I can make is that in my State they are offering the veterans employment and, if they do not take it, they cannot get unemployment insurance.

Mr. RANKIN. I know how that is working. I know what is going on. I have the figures before me for every State in the Union, and I think the gentleman from Georgia has been misinformed.

I do not have to apologize for my services to the veterans. I have fought their battles here for more than 20 years. I fought their battles here when some Members of the House who are now

clamoring so loudly ran out on them on the economy bill.

If this conference report is adopted in its present form, it is going to be a grave injustice to the veterans that you are going to have to answer for in the years to come.

Mr. CUNNINGHAM. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Iowa.

Mr. CUNNINGHAM. I find in talking to the Members here on the floor that there is some misunderstanding. I wanted to be clear that the conference report has all of 1505 removed. In other words, if the conference report is adopted, there will be no inequality from one veteran to another. It is just out of the bill. Personally, I would rather have seen it stay in the bill. We either had to take it out or else leave it in for one portion of the veterans only and not all of them. As it is now, it is completely out. I say this, Mr. Speaker, simply to let them know what the provisions are.

Mr. RANKIN. My proposition is to restore that section of the present law.

Mr. CUNNINGHAM. That is right. Mr. ROBSION of Kentucky. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. This seems to be a very highly controversial matter. I am just wondering what has been and is the attitude of the American Legion and the Veterans of Foreign Wars and the DAV on this important question.

Mr. RANKIN. As far as I know, they have not expressed themselves on it.

Mr. KEARNEY. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from New York.

Mr. KEARNEY. I intend to vote for this conference report, but it seems to me we are making a mountain out of a molehill. As far as this section 1505 is concerned, in the future if any adjusted service compensation bill is passed by this House, that provision could be reinstated in that particular bill. But on the loan feature we are losing sight of one important fact, that while these lads are receiving their education at the expense of the Government, those who are borrowing money from the Government are paying 4 percent, when it is contemplated by our Government to loan foreign governments money at a much lower rate of interest.

Mr. RANKIN. If this conference report is adopted, will the gentleman support a bill to pay all the men who served 90 days or more \$20 a week?

Mr. KEARNEY. The same amount?

Mr. RANKIN. Yes.

Mr. KEARNEY. No, I will not. I will support a bill based on length and type of service.

Mr. RANKIN. This is not based on length and type of service. If I had my way, if this were an open rule, I would offer an amendment now to pay them all alike. This measure requires that the man must have served 90 days, because it is supposed that the mustering-out pay takes care of the first 90 days. I would offer an amendment now to make it apply to all men who have served 90 days.



Then if later adjusted compensation were paid, that could be taken into consideration.

But I say this provision in the conference report is most violent discrimination against the man who comes home and goes to work and asks for nothing except to get his uniform off and get back into civilian life.

Mr. KEARNEY. I cannot see any justice, Mr. Speaker, in paying the same amount under an adjusted-service-compensation bill to a man who served 90 days in a camp in this country as compared to one who has been in the front lines for months and years.

Mr. RANKIN. That is what you are doing, except that you are leaving out the man who comes home, strips off his uniform, and goes to work.

Mr. Speaker, I yield 1 minute to the gentleman from Washington [Mr. SAVAGE].

Mr. SAVAGE. Is it not true that if a veteran is on compensation and is offered a job and refuses to take the job, he automatically is off the compensation roll anyway?

Mr. RANKIN. Yes; but that does not happen very often. But I will tell you what it is doing. All these servicemen working in those factories that are on strike are getting nothing from the Government, and will get nothing under this conference report. That is all because they have not built up their reserves, as they call it. But the man who has been working all the time gets his unemployment compensation pay. A serviceman must stand there and get nothing, and he will stand there and get nothing if this conference report is adopted. But if we paid this \$20 a week compensation to all men who served the required length of time, then these men would be getting theirs, whether they worked or not.

Mr. SCRIVNER. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. SCRIVNER. I notice in the conference report the section relating to education has been materially changed from the provisions originally in the educational feature in the Readjustment Act. I think one reason we have gone astray is because we do not call it by its proper title, which is the Serviceman's Readjustment Act. That is its purpose, to help them readjust themselves on their return. It was sold to the Congress and the American public on that premise, that we were taking every year a million or more young men of 18 years of age and depriving them of their opportunity to get an education. This was an attempt on our part under a system of readjustment to make them whole, as it were, and send them back to school with some maintenance so that those who wanted to could help themselves through. In this conference report all of that phraseology which said that they would be entitled to an education if it had been interfered with, impeded, or delayed, has been stricken out. The original bill said it would be automatically assumed that a man who went into the service under the age of 25 had had his education interfered with or impeded.

Those words are all out. As I understand, as the conference report now has it, any man who was in the service can go to school whether his education was interfered with or not. My impression was that this was a bill for the benefit of veterans and not for the benefit of the educational institutions of this country.

Mr. RANKIN. That is right.

Mr. SCRIVNER. I would like an explanation from the chairman as to why that change was made in the conference.

Mr. RANKIN. Simply because we had a raid of college professors or college presidents. Somebody said this ought to be dubbed "the bill for the relief of college professors." They made a drive on us here to get that law changed. As a matter of fact, whether the conference report is adopted or not, the man who goes to college will get his expenses paid. If no adjusted compensation bill is passed in the future, it will make no difference to him. But if one is passed, my contention is he should be willing to have taken out of that pay which is given him by the Government at least a portion of the money that has been supplied in that way.

I yield to the gentleman from Alabama.

Mr. JARMAN. Therefore, since no Adjusted Compensation Act has been passed, the gentleman from Georgia is mistaken, is he not, in the belief that Congress is not keeping faith with that young boy who left college because the voting down of this conference report would not keep that boy from getting that education, would it?

Mr. RANKIN. No; he is being treated far better than the servicemen of the First World War were.

Mr. Speaker, I yield to the gentleman from California [Mr. McDONOUGH].

Mr. McDONOUGH. With reference to the statement which has just been made, there is anticipated an adjusted compensation law because section 1505 anticipates that by its very wording. There should certainly not be any penalty imposed on the man who educates himself through the benefits under the bill so that he would have to pay for it out of any adjusted compensation bill later.

Mr. RANKIN. I appreciate the optimism of the gentleman from California, who is a new Member of the House. His argument shows it. A few years ago when I forced through my amendment to raise the base pay of the men in the armed forces to \$50 a month, I heard a similar argument. After the last war it was agreed by everybody in Congress that we owed the servicemen adjusted compensation. Do you know how long it took to get it? It took 17 years. We went through four elections and two depressions before they ever got that adjusted compensation.

Mr. BROWN of Georgia. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Georgia.

Mr. BROWN of Georgia. As I understand, the gentleman from Iowa [Mr. CUNNINGHAM], and the gentleman from Mississippi [Mr. RANKIN], do not agree about the effect of taking section 1505 out of the bill. The gentleman from

Mississippi thinks it is discrimination. The gentleman from Iowa says it is not discrimination. I understand the gentleman from Iowa wrote this particular section in the first instance.

Mr. RANKIN. Oh, no, the gentleman from Georgia misunderstood him. He said the Senate amendment would have brought about vast discrimination as between the men who go to school or draw unemployment pay and the ones who secure loans. But this measure, this conference report discriminates against the 90 percent of servicemen who neither go to school, borrow money, or secure unemployment compensation under the bill.

Mr. HAYS. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Arkansas.

Mr. HAYS. I would like to ask about the formula for the real estate loans. It appears a change has been made so that you determine it upon the reasonable value, rather than the normal value?

Mr. RANKIN. That is right.

Mr. HAYS. I am sure that is an acceptable provision, but I do want to ask about the determination of the appraisal, because there is an impression that now the ceiling is off, and that the lender and the borrower can agree upon any sum, and the Administration is not bound thereby, but, as I read the conference report, that is not true, and I wanted to confirm that.

Mr. RANKIN. The gentleman is correct.

My amendment, if adopted, would carry the very provision on that point that was agreed upon in conference.

Mr. GORE. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. GORE. Does the distinguished gentleman from Mississippi feel that the amount of the loan which will be insured is sufficient to allow a larger purchase of farms?

Mr. RANKIN. Oh, yes. We raised that to \$4,000 instead of \$2,000.

Mr. EDWIN ARTHUR HALL. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from New York.

Mr. EDWIN ARTHUR HALL. I am in accord with many things the gentleman has said in the past, but I want to ask him if he does not feel that if future bonuses are earmarked on this college education question it will tend to discourage vocational training and college education of the veteran in the future?

Mr. RANKIN. No. Besides it is not a bonus. It is adjusted compensation.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

The question was taken; and on a division (demanded by Mr. RANKIN) there were—ayes 134, noes 23.

So the conference report was agreed to. A motion to reconsider was laid on the table.



## GENERAL LEAVE TO EXTEND REMARKS

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks on the conference report.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

## EXTENSION OF REMARKS

Mr. SLAUGHTER asked and was given permission to extend his remarks in the RECORD and include two letters.

Mr. SPENCE asked and was given permission to revise and extend his remarks on the bill H. R. 4590 and to include a report.

Mr. FOGARTY asked and was given permission to extend his remarks on the naval dental bill, S. 715, at a point in the RECORD prior to its passage.

Mr. FEIGHAN and Mr. JENKINS asked and were given permission to extend their own remarks in the RECORD.

Mr. D'ALESSANDRO asked and was given permission to extend his remarks during consideration of the rule on the Palestine resolution.

Mr. CELLER and Mr. ROWAN asked and were given permission to extend their remarks in the RECORD on two subjects each.

Mr. WHITE asked and was given permission to revise and extend his remarks on the silver bill and include certain communications.

Mr. WEICHEL (at the request of Mr. MARTIN of Massachusetts) was given permission to extend his remarks in the RECORD on two subjects.

Mr. KUNKEL (at the request of Mr. MARTIN of Massachusetts) was given permission to extend his remarks in the RECORD and include an editorial.

Mr. JONES asked and was given permission to extend his remarks in the Appendix of the RECORD and include a speech he made before the Ohio Chamber of Commerce on last Friday.

Mrs. LUCE asked and was given permission to extend her remarks on two subjects and include an editorial and a resolution.

Mrs. ROGERS of Massachusetts asked and was given permission to revise and extend the remarks she made during the consideration of the conference report on the amended GI bill.

## PALESTINE JEWISH HOMELAND

Mr. SABATH. Mr. Speaker, I call up House Resolution 466 and ask for its immediate consideration.

The Clerk read as follows:

*Resolved*, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the concurrent resolution (H. Con. Res. 113) relative to the opening of Palestine for free entry of Jews. That after general debate, which shall be confined to the concurrent resolution and shall continue not to exceed 1 hour to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Foreign Affairs, the concurrent resolution shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the concurrent resolution for amendment, the Com-

mittee shall rise and report the same back to the House with such amendments as shall have been adopted and the previous question shall be considered as ordered on the concurrent resolution amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SABATH. Mr. Speaker, I am indeed gratified that the Members desire to consider the bill made in order by this resolution. So as not to delay its consideration, I shall use no further time unless the gentleman from Michigan wishes to be heard.

Mr. MICHENER. This is the Palestine resolution?

Mr. SABATH. This is a rule making that resolution in order.

Mr. MICHENER. Is it the understanding that if no time is taken on the rule the resolution will be explained by the Committee reporting it?

Mr. SABATH. Yes; except that I am obliged to make an observation, but I will be brief.

Mr. MICHENER. I hope that Committee will advise the House fully as to the attitude of the State Department on this most important piece of legislation touching this international subject.

I realize this is a concurrent resolution only and that it has no force or effect other than a moral one, but our country has always respected its moral commitments almost as much as it has its legal commitments.

I have no requests for time on this side, but I hope the matters I have suggested will be made clear to the House.

Mr. SABATH. I am satisfied they will be.

The Sixty-seventh Congress, on June 22, went on record as favoring the establishment of a national home for the Jewish people in Palestine and providing that nothing be done to prejudice the religious rights of Christians and all other non-Jewish communities.

Every Member knows that I have abstained from, though I have been frequently urged, to speak on Palestine and on the unfortunate lot of the Jewish people of whom, as reported, nearly 6,000,000 have been ravaged, tortured, starved, and burned alive by the bestial, murderous "super-race" of Nazis. There are only about 1,250,000 Jews left in Europe, many of them still in camps on bare subsistence, and deprived of most of their belongings and their homes destroyed.

This resolution provides that the United States shall use its good offices with the mandatory power to the end that Palestine shall be opened for free entry of Jews into that country but only to the maximum of its agricultural and economic potentialities. Thus they would be given opportunity for colonization and development so that they may freely proceed with the upbuilding of Palestine as the Jewish national home and, in association with all elements of the population, establish Palestine as a democratic commonwealth in which all men, regardless of race or creed, shall have equal rights.

This resolution really expresses the views and the sentiments and the desire of our President, who is now endeavoring to secure the entry of about 100,000 of these persecuted, suffering people into

their homeland. Within the last 35 years the Jews have turned the barren lands into extremely fertile soil by irrigation and have built modern cities and great institutions of science and learning. With extraordinary application and by hard work they have increased the value of all the surrounding property and lands, which are bound to inure to the benefit of the Arabs. Therefore, I cannot quite understand why there should be any opposition from them to the admittance of the Jewish people to what they consider their homeland, but, unfortunately, not only the Arabs but many Christian people have also from time to time shown, unjustifiably, their prejudice against them.

Have not the Jewish people given to the world the moral and ethical principles which are the foundation not only of their own religion but of Christianity itself? Have they not given the greatest Teacher for good, who advocated justice, charity, and brotherly love and whose teachings not only I, but the other Jewish people follow? In this country years ago there were some who charged that Jews controlled the international banking systems of the world, including the United States. That has been proven, I am sure, to be a falsehood, because that control is only about 5 percent. I know of only one outstanding banking institution in the United States in which there is Jewish participation and that is not controlled by Jews. That is the Kuhn, Loeb Co., which is controlled by Christians. That being disproved, now Jews have been charged by many unscrupulous bigots with being Communists. Surely they are not both financiers and Communists.

I fully appreciate that when they were driven from their fields and agricultural pursuits due to jealousy in years gone by and were herded into the ghettos, they were forced to devote themselves to commercial pursuits. This is the reason so many in this and other countries have not followed their cherished and much-loved agricultural pursuits. In years gone by discord and dissension have been propagated in various kingdoms to start anti-Jewish propaganda, but such is not the case in our beloved country. Why, then, do men try to utilize the Jew baiting and propaganda unless it is done to attain political and financial ends?

Mr. Speaker, knowing the membership as I do, I have the utmost confidence that the House will pass the resolution by an overwhelming and nearly unanimous vote.

(Mr. SABATH asked and was given permission to revise and extend his remarks.)

Mr. MADDEN. Mr. Speaker, the resolution for the establishment of a Jewish homeland in Palestine, now under consideration, should receive the unqualified support of all the Members of the Congress.

It is indeed regrettable that it becomes necessary to even consider legislation of this kind. It is a sad commentary on the efforts to secure international peace that one of our major allies in the last war has seen fit to break its pledged word. Liberty loving people everywhere are surprised to find the new British









[PUBLIC LAW 268—79TH CONGRESS]

[CHAPTER 588—1ST SESSION]

[H. R. 3749]

AN ACT

To amend the Servicemen's Readjustment Act of 1944, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the second sentence of section 100 of the Servicemen's Readjustment Act of 1944, as amended, is amended to read as follows: "The Administrator is authorized, for the purpose of extending benefits to veterans and dependents, and to the extent he deems necessary, to procure the necessary space for administrative, clinical, medical, and out-patient treatment purposes by lease, purchase, or construction of buildings, or by condemnation or declaration of taking, pursuant to existing statutes."

SEC. 2. Section 104 of the Servicemen's Readjustment Act of 1944, as amended, is amended by striking out the second paragraph thereof and inserting in lieu thereof the following:

"Any veteran entitled to a prosthetic appliance shall be furnished such fitting and training, including institutional training, in the use of such appliance as may be necessary, whether in a Veterans' Administration facility, other training institution, or by out-patient treatment, including such service under contract and including necessary travel expenses to and from their homes to such hospital or training institution.

"The Administrator may procure any and all items mentioned herein, including necessary services required in the fitting, supplying, and training in use of such items by purchase, manufacture, contract, or in such other manner as the Administrator may determine to be proper without regard to any other provision of law."

SEC. 3. Section 200 of the Servicemen's Readjustment Act of 1944, as amended, is amended by adding at the end thereof the following new subsection:

"(c) The Administrator is further authorized at his discretion and under such regulations as he may prescribe to furnish, if available, necessary space and suitable office facilities for the use of paid full-time representatives of such organizations."

SEC. 4. Section 302 (a) of the Servicemen's Readjustment Act of 1944, as amended, is amended to read as follows:

"SEC. 302. (a) The Secretary of War, the Secretary of the Navy, and the Secretary of the Treasury are authorized and directed to establish, from time to time, boards of review composed of five commissioned officers, two of whom shall be selected from the Medical Corps of the Army or Navy, or from the Public Health Service, as the case may be. It shall be the duty of any such board to review, at the request of any officer retired or released from active service, without pay, for physical disability pursuant to the decision of a retiring

board, board of medical survey, or disposition board, the findings and decisions of such board. Such review shall be based upon all available service records relating to the officer requesting such review, and such other evidence as may be presented by such officer. Witnesses shall be permitted to present testimony either in person or by affidavit, and the officer requesting review shall be allowed to appear before such board of review in person or by counsel. In carrying out its duties under this section such board of review shall have the same powers as exercised by, or vested in, the board whose findings and decision are being reviewed. The proceedings and decision of each such board of review affirming or reversing the decision of any such retiring board, board of medical survey, or disposition board shall be transmitted to the Secretary of War, the Secretary of the Navy, or the Secretary of the Treasury, as the case may be, and shall be laid by him before the President for his approval or disapproval and orders in the case."

SEC. 5. (a) Paragraph 1 of part VIII of Veterans Regulation Numbered 1 (a), as amended, is amended to read as follows:

"1. Any person who served in the active military or naval service on or after September 16, 1940, and prior to the termination of the present war, and who shall have been discharged or released therefrom under conditions other than dishonorable, and who either shall have served ninety days or more, exclusive of any period he was assigned for a course of education or training under the Army specialized training program or the Navy college training program, which course was a continuation of his civilian course and was pursued to completion, or as a cadet or midshipman at one of the service academies, or shall have been discharged or released from active service by reason of an actual service-incurred injury or disability, shall be eligible for and entitled to receive education or training under this part: *Provided*, That such course shall be initiated not later than four years after either the date of his discharge or the termination of the present war, whichever is the later: *Provided further*, That no such education or training shall be afforded beyond nine years after the termination of the present war."

(b) Paragraph 2 of part VIII of such Regulation is amended to read as follows:

"2. Any such eligible person shall be entitled to education or training at an approved educational or training institution for a period of one year plus the time such person was in the active service on or after September 16, 1940, and before the termination of the war, exclusive of any period he was assigned for a course of education or training under the Army specialized training program or the Navy college training program, which course was a continuation of his civilian course and was pursued to completion, or as a cadet or midshipman at one of the service academies, but in no event shall the total period of education or training exceed four years: *Provided*, That his work continues to be satisfactory throughout the period, according to the regularly prescribed standards and practices of the institution: *Provided further*, That wherever the period of eligibility ends during a quarter or semester and after a major part of such quarter or semester has expired, such period shall be extended to the termination of such unexpired quarter or semester."



(c) Paragraph 3 of part VIII of such Regulation is amended to read as follows:

"3. (a) Such person shall be eligible for and entitled to such course of education or training, full time or the equivalent thereof in part-time training, as he may elect, and at any approved educational or training institution at which he chooses to enroll, whether or not located in the State in which he resides, which will accept or retain him as a student or trainee in any field or branch of knowledge which such institution finds him qualified to undertake or pursue: *Provided*, That, for reasons satisfactory to the Administrator, he may change a course of instruction: *And provided further*, That any such course of education or training may be discontinued at any time, if it is found by the Administrator that, according to the regularly prescribed standards and practices of the institution, the conduct or progress of such person is unsatisfactory.

"(b) Any such eligible person may apply for a short, intensive postgraduate, or training course of less than thirty weeks: *Provided*, That the Administrator shall have the authority to contract with approved institutions for such courses if he finds that the agreed cost of such courses is reasonable and fair: *Provided further*, That (1) the limitation of paragraph 5 shall not prevent the payment of such agreed rates, but there shall be charged against the veteran's period of eligibility the proportion of an ordinary school year which the cost of the course bears to \$500, and (2) not in excess of \$500 shall be paid for any such course.

"(c) Any such eligible person may apply for a course of instruction by correspondence without any subsistence allowance: *Provided*, That the Administrator shall have authority to contract with approved institutions for such courses if he finds that the agreed cost of such courses is reasonable and fair: *Provided further*, (1) That the provisions of paragraph 5 shall not apply to correspondence courses; (2) that one-fourth of the elapsed time in following such course shall be charged against the veteran's period of eligibility; and (3) that the total amount payable for a correspondence course or courses for any veteran shall not exceed \$500: *And provided further*, That nothing herein shall be construed to preclude the use of approved correspondence courses as a part of institutional or job training, subject to regulations prescribed by the Administrator."

(d) Paragraph 5 of part VIII of such Regulation is amended to read as follows:

"5. The Administrator shall pay to the educational or training institution, for each person enrolled in full time or part time course of education or training, the customary cost of tuition, and such laboratory, library, health, infirmary, and other similar fees as are customarily charged, and may pay for books, supplies, equipment, and other necessary expenses, exclusive of board, lodging, other living expenses, and travel, as are generally required for the successful pursuit and completion of the course by other students in the institution: *Provided*, That in no event shall such payments, with respect to any person, exceed \$500 for an ordinary school year unless the veteran elects to have such customary charges paid in excess of such limitation, in which event there shall be charged against his period of eligibility the propor-

tion of an ordinary school year which such excess bears to \$500: *Provided further*, That no payments shall be made to institutions, business or other establishments furnishing apprentice training on the job: *And provided further*, That any institution may apply to the Administrator for an adjustment of tuition and the Administrator, if he finds that the customary tuition charges are insufficient to permit the institution to furnish education or training to eligible veterans, or inadequate compensation therefor, may provide for the payment of such fair and reasonable compensation as will not exceed the estimated cost of teaching personnel and supplies for instruction; and may in like manner readjust such payments from time to time."

(e) Effective on the first day of the first calendar month subsequent to the date of enactment of this Act, the first sentence of paragraph 6 of part VIII of such Regulation is amended to read as follows:

"6. While enrolled in and pursuing a course under this part, such person, upon application to the Administrator, shall be paid a subsistence allowance of \$65 per month, if without a dependent or dependents, or \$90 per month, if he has a dependent or dependents, including regular holidays and leave not exceeding thirty days in a calendar year."

(f) Paragraph 7 of part VIII of such Regulation is amended to read as follows:

"7. Any such person eligible for the benefits of this part, who is also eligible for the benefit of part VII, may elect either benefit or may be provided an approved combination of such courses: *Provided*, That the total period of any such combined courses shall not exceed the maximum period or limitations under the part affording the greater period of eligibility."

SEC. 6. Section 4 of Public Law Numbered 16, Seventy-eighth Congress, as added by section 402 of the Servicemen's Readjustment Act of 1944, is amended by striking out the period at the end thereof and inserting in lieu thereof a colon and the following: "*Provided further*, That returned books, supplies, or equipment may be turned in to educational or training institutions for credit under such terms as may be approved by the Administrator, or disposed of in such other manner as may be approved by the Administrator."

SEC. 7. (a) The proviso in paragraph 1 of part VII of Veterans Regulation Numbered 1 (a), as amended, is amended to read as follows: "*Provided*, That no course of training in excess of a period of four years shall be approved except with the approval of the Administrator, nor shall any training under this part be afforded beyond nine years after the termination of the present war."

(b) Effective on the first day of the first calendar month subsequent to the date of enactment of this Act, paragraph 3 of part VII of Veterans Regulation Numbered 1 (a), as amended, is amended to read as follows:

"3. While pursuing training prescribed herein, and for two months after his employability is determined, each veteran shall be paid the amount of subsistence allowance specified in paragraph 6 of part VIII of Veterans Regulation Numbered 1 (a), as amended: *Provided*, That the minimum payment of such allowance, plus any pension or other benefit, shall be, for a person without a dependent, \$105 per month;



and for a person with a dependent, \$115, plus the following amounts for additional dependents: (1) \$10 for one child and \$7 additional for each additional child, and (2) \$15 for a dependent parent: *Provided further*, That the rates set out herein shall not be subject to the increases authorized by Public Law Numbered 312, Seventy-eighth Congress, approved May 27, 1944: *And provided further*, That when the course of vocational rehabilitation furnished to any person as herein provided consists of training on the job by an employer, such employer shall be required to submit monthly to the Administrator a statement in writing showing any wage, compensation, or other income paid by him to such person during the month, directly or indirectly, and based upon such written statements, the Administrator is authorized to reduce the subsistence allowance of such person to an amount considered equitable and just."

SEC. 8. Title III of the Servicemen's Readjustment Act of 1944, as amended, is amended to read as follows:

### "TITLE III—LOANS FOR THE PURCHASE OR CONSTRUCTION OF HOMES, FARMS, AND BUSINESS PROPERTY

#### "CHAPTER V—GENERAL PROVISIONS FOR LOANS

"SEC. 500. (a) Any person who shall have served in the active military or naval service of the United States at any time on or after September 16, 1940, and prior to the termination of the present war and who shall have been discharged or released therefrom under conditions other than dishonorable after active service of ninety days or more, or by reason of an injury or disability incurred in service in line of duty, shall be eligible for the benefits of this title. Any loan made by such veteran within ten years after the termination of the war for any of the purposes, and in compliance with the provisions, specified in this title, is automatically guaranteed by the Government by this title in an amount not exceeding fifty per centum of the loan: *Provided*, That the aggregate amount guaranteed shall not exceed \$2,000 in the case of non-real-estate loans, nor \$4,000 in the case of real-estate loans; or a prorated portion thereof on loans of both types or combination thereof.

"(b) Loans guaranteed under this title shall be payable under such terms and conditions as may be agreed upon by the parties thereto, subject to the conditions and limitations of this title and the regulations issued pursuant to section 504: *Provided*, That the liability under the guaranty within the limitations of this title shall decrease or increase pro rata with any decrease or increase of the amount of the unpaid portion of the obligation: *Provided further*, That loans guaranteed under this title shall bear interest at a rate not exceeding 4 per centum per annum and shall be payable in full in not more than twenty-five years, or in the case of loans on farm realty in not more than forty years: *And provided further*, That (1) the maturity on a non-real-estate loan shall not exceed ten years; (2) any loan for a term in excess of five years shall be amortized in accordance with established procedure; (3) except as provided in section 505 any real-estate loan, other than for repairs, alterations

or improvements, shall be secured by a first lien on the realty, and a non-real-estate loan, except as to working or other capital, merchandise, good-will and other intangible assets, shall be secured by personalty to the extent legal and practicable.

“(c) An honorable discharge shall be deemed a certificate of eligibility to apply for a guaranteed loan. Any veteran who does not have a discharge certificate, or who received a discharge other than honorable, may apply to the Administrator for a certificate of eligibility. Upon making a loan as provided herein, the lender shall forthwith transmit to the Administrator a statement setting forth the full name and serial number of the veteran, amount and terms of the loan, and the legal description of the property, together with the appraisal report made by the designated appraiser. Where the loan is automatically guaranteed, the Administrator shall provide the lender with a loan guaranty certificate or other evidence of the guaranty. He shall also endorse on the veteran's discharge, or eligibility certificate, the amount and type of guaranty used, and the amount, if any, remaining. An amount equivalent to 4 per centum on the amount originally guaranteed shall be paid to the lender by the Administrator out of available appropriations, to be credited upon the loan. Nothing herein shall be deemed to preclude the assignment of any guaranteed loan nor the assignment of the security therefor.

“(d) Loans guaranteed hereunder may be made by any Federal land bank, national bank, State bank, private bank, building and loan association, insurance company, credit union, or mortgage and loan company, that is subject to examination and supervision by an agency of the United States or of any State or Territory, including the District of Columbia. Any loan at least 20 per centum of which is guaranteed under this title may be made by any national bank, or Federal savings and loan association; or by any bank, trust company, building and loan association or insurance company organized or authorized to do business in the District of Columbia; without regard to the limitations and restrictions of any other statute with respect to—

- “(1) ratio of amount of loan to the value of the property;
- “(2) maturity of loan;
- “(3) requirement for mortgage or other security;
- “(4) dignity of lien; or
- “(5) percentage of assets which may be invested in real estate loans.

“(e) Any loan proposed to be made to an eligible veteran by any lender not of a class specified in subsection (d) may be guaranteed by the Administrator if he finds that it is in accord otherwise with the provisions of this title, as amended.

#### “PURCHASE OR CONSTRUCTION OF HOMES

“SEC. 501. Any loan made to a veteran under this title, the proceeds of which are to be used for purchasing residential property or constructing a dwelling to be occupied as his home or for the purpose of making repairs, alterations, or improvements in property owned



by him and occupied as his home, is automatically guaranteed if made pursuant to the provisions of this title, including the following:

“(1) That the proceeds of such loan will be used for payment of the property purchased or constructed or improved;

“(2) That the contemplated terms of payment required in any mortgage to be given in part payment of the purchase price or the construction cost bear a proper relation to the veteran's present and anticipated income and expenses; and that the nature and condition of the property is such as to be suitable for dwelling purposes; and

“(3) That the price paid or to be paid by the veteran for such property or for the cost of construction, repairs, or alterations does not exceed the reasonable value thereof as determined by proper appraisal made by an appraiser designated by the Administrator.

#### “PURCHASE OF FARMS AND FARM EQUIPMENT

“SEC. 502. Any loan made to a veteran under this title, the proceeds of which are to be used for purchasing any lands, buildings, livestock, equipment, machinery, supplies or implements, or for repairing, altering, constructing or improving any land, equipment, or building, including the farmhouse, to be used in farming operations conducted by the veteran involving production in excess of his own needs, or for working capital requirements necessary for such operations, or to purchase stock in a cooperative association where the purchase of such stock is required by Federal statute as an incident to obtaining the loan, is automatically guaranteed if made pursuant to the provisions of this title, including the following:

“(1) That the proceeds of such loan will be used for any such purposes in connection with bona fide farming operations conducted by the applicant;

“(2) That such property will be useful in and reasonably necessary for efficiently conducting such operations;

“(3) That the ability and experience of the veteran, and the nature of the proposed farming operations to be conducted by him, are such that there is a reasonable likelihood that such operations will be successful; and

“(4) That the purchase price paid or to be paid by the veteran for such property does not exceed the reasonable value thereof as determined by proper appraisal made by an appraiser designated by the Administrator.

#### “PURCHASE OF BUSINESS PROPERTY

“SEC. 503. Any loan made to a veteran under this title, the proceeds of which are to be used for the purpose of engaging in business or pursuing a gainful occupation, or for the cost of acquiring for such purpose land, buildings, supplies, equipment, machinery, tools, inventory, stock in trade, or for the cost of the construction, repair, alteration or improvement of any realty or personalty used for such purpose, or to provide the funds needed for working capital, is auto-

matically guaranteed if made pursuant to the provisions of this title, including the following:

"(1) That the proceeds of such loan will be used for any of the specified purposes in connection with bona fide pursuit of gainful occupation by the veteran;

"(2) That such property will be useful in and reasonably necessary for the efficient and successful pursuit of such business or occupation;

"(3) That the ability and experience of the veteran, and the conditions under which he proposes to pursue such business or occupation, are such that there is a reasonable likelihood that he will be successful in the pursuit of such business or occupation; and

"(4) That the purchase price paid or to be paid by the veteran for such property, or the cost of such construction, alterations, or improvements, does not exceed the reasonable value thereof as determined by proper appraisal made by an appraiser designated by the Administrator.

#### "REGULATIONS

"SEC. 504. The Administrator is authorized to promulgate such rules and regulations not inconsistent with this title, as amended, as are necessary and appropriate for carrying out the provisions of this title, and may delegate to subordinate employees authority to issue certificates, or other evidence, of guaranty of loans guaranteed under the provisions of this title, and to exercise other administrative functions hereunder.

#### "SECONDARY LOANS

"SEC. 505. (a) In any case wherein a principal loan, for any of the purposes stated in section 501, 502, or 503, is approved by a Federal agency to be made or guaranteed or insured by it pursuant to applicable law and regulations, and the veteran is in need of a second loan to cover the remainder of the purchase price or cost, or a part thereof, the Administrator, subject otherwise to the provisions of this title, may guarantee the full amount of the second loan: *Provided*, That such second loan shall not exceed 20 per centum of the purchase price or cost: *And provided further*, That regulations to be promulgated jointly by the Administrator and the head of such agency may provide for servicing of both loans by such agency and for refinancing of the principal loan to include any unpaid portion of the secondary loan with accrued interest, if any, after the curtailment thereon equals twice the amount of the secondary loan.

"(b) Any person who is a veteran eligible for the benefits of this title, as provided in section 500 hereof, and who is found by the Secretary of Agriculture, by reason of his ability and experience, including training as a vocational trainee, to be likely to carry out successfully undertakings required of him under a loan which may be made under the Bankhead-Jones Farm Tenant Act, shall be eligible for the benefits of such Act to the same extent as if he were a farm tenant,



### “PROCEDURE ON DEFAULT

“SEC. 506. In the event of default in the payment of any loan guaranteed under this title, the holder of the obligation shall notify the Administrator who shall thereupon pay to such holder the guaranty not in excess of the pro rata portion of the amount originally guaranteed, and shall be subrogated to the rights of the holder of the obligation to the extent of the amount paid on the guaranty: *Provided*, That prior to suit or foreclosure the holder of the obligation shall notify the Administrator of the default, and within thirty days thereafter the Administrator may, at his option, pay the holder of the obligation the unpaid balance of the obligation plus accrued interest and receive an assignment of the loan and security: *Provided further*, That (1) nothing herein shall be construed to preclude any forbearance for the benefit of the veteran as may be agreed upon by the parties to the loan and approved by the Administrator; and (2) the Administrator may establish the date, not later than the date of judgment and decree of foreclosure or sale, upon which accrual of interest or charges shall cease.

### “LOANS ON DELINQUENT INDEBTEDNESS

“SEC. 507. Any loan made to a veteran, the proceeds of which are to be used to refinance any indebtedness of the veteran which is secured of record on property to be used or occupied by the veteran as a home or for farming purposes, or indebtedness incurred by him in the pursuit of a gainful occupation which he is pursuing or which he proposes in good faith to pursue, or any delinquent taxes or assessments on such property or business, is automatically guaranteed if made pursuant to the provisions of this title, including the following:

“(1) Such loan became in default or the delinquency occurred not later than ten years after the termination of the war;

“(2) Such refinancing will aid the veteran in his economic readjustment; and

“(3) The amount of the guaranteed loan does not exceed the reasonable value of the property or business, as determined by proper appraisal made by an appraiser designated by the Administrator.

### “INSURANCE OF LOANS

“SEC. 508. (a) Any loans which might be guaranteed under the provisions of this title, when made or purchased by any financial institution subject to examination and supervision by an agency of the United States or of any State or Territory, including the District of Columbia, may, in lieu of such guaranty, be insured by the Administrator under an agreement whereby he will reimburse any such institution for losses incurred on such loan up to 15 per centum of the aggregate of loans so made or purchased by it.

“(b) Loans insured hereunder shall be made on such other terms, conditions, and restrictions as the Administrator may prescribe within the limitations set forth in this title. The Administrator may

fix the maximum rate of interest payable on any class of non-real-estate loans insured hereunder at a figure not in excess of a 3 per centum discount rate or an equivalent straight interest rate on non-amortized loans.

“(c) The Administrator shall pay the same amount on each loan insured hereunder as he would be required to pay under the sixth sentence of section 500 (c) hereof if the loan were guaranteed rather than insured.

#### “POWERS OF ADMINISTRATOR

“SEC. 509. (a) With respect to matters arising by reason of this title as now or hereafter amended and, notwithstanding the provisions of any other law, the Administrator may—

“(1) Sue and be sued in his official capacity in any court of competent jurisdiction, State or Federal;

“(2) Subject to specific limitations in this Act, consent to the modification, with respect to rate of interest, time of payment of principal or interest or any portion thereof, security or other provisions of any note, contract, mortgage or other instrument securing a loan which has been guaranteed or insured hereunder;

“(3) Pay, or compromise, any claim on, or arising because of, any such guaranty or insurance;

“(4) Pay, compromise, waive or release any right, title, claim, lien or demand, however acquired, including any equity or any right of redemption;

“(5) Purchase at any sale, public or private, upon such terms and for such prices as he determines to be reasonable, and take title to, property, real, personal or mixed; and similarly sell, at public or private sale, exchange, assign, convey, or otherwise dispose of any such property; and

“(6) Complete, administer, operate, obtain and pay for insurance on, and maintain, renovate, repair, modernize, lease, or otherwise deal with any property acquired or held pursuant to this title: *Provided*, That the acquisition of any such property shall not deprive any State or political subdivision thereof of its civil or criminal jurisdiction of, on, or over such property (including power to tax) or impair the rights under the State or local law of any persons on such property.

“(b) The powers by this section granted may be exercised by the Administrator without regard to any other provisions of law not enacted expressly in limitation hereof, which otherwise would govern the expenditure of public funds: *Provided*, That section 3709 of the Revised Statutes shall apply to any contract for services or supplies on account of any property acquired pursuant to this section if the amount of such contract exceeds \$1,000.

“(c) The financial transactions of the Administrator incident to, or arising out of, the guaranty of loans pursuant to this title, and the acquisition, management, and disposition of property, real, personal or mixed, as incident to such activities and pursuant to this section, shall be final and conclusive upon all officers of the Government.



## "EFFECTIVE DATE

"SEC. 510. This title, as amended, shall be effective from the date of enactment: *Provided*, That any application for guaranty of a loan filed within ninety days after such date may be approved under the title as it existed prior to amendment: *And provided further*, That nothing herein shall be construed to affect any contractual right under any certificate of guaranty issued thereunder."

SEC. 9. Section 1505 of the Servicemen's Readjustment Act of 1944, as amended, is hereby repealed.

SEC. 10. Title VI of the Servicemen's Readjustment Act of 1944, as amended, is amended by adding at the end thereof the following new sections:

"SEC. 1506. Persons who served in the active military or naval service of any government allied with the United States in World War II and who at time of entrance into such active service were citizens of the United States shall, by virtue of such service, and if otherwise qualified, be entitled to the benefits of titles II, III, IV, and V of this Act or of Public Law 16, Seventy-eighth Congress, in the same manner and to the same extent as persons who served in the active military or naval service of the United States: *Provided*, That any such benefit shall not be extended to any person who is not a resident of the United States at time of filing claim or to any person who has applied for and received the same or similar benefit from the government of the nation in whose active military or naval service he served.

"SEC. 1507. Notwithstanding the provisions of section 1503, any person while on terminal leave, or while hospitalized pending final discharge, may be afforded the benefits of titles II and III of this Act, or vocational rehabilitation training under Public Law 16, Seventy-eighth Congress, as amended, subject to all conditions thereof except actual discharge: *Provided*, That no subsistence allowance shall be paid in such cases under title II of this Act or Public Law 16, Seventy-eighth Congress. This section shall be effective from June 22, 1944."

Approved December 28, 1945.





A N A C T

To provide Federal Government aid for the readjustment in civilian life of returning World War II veterans.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Servicemen's Readjustment Act of 1944".

T I T L E I

CHAPTER I -- HOSPITALIZATION, CLAIMS, AND PROCEDURES

SEC. 100. The Veterans' Administration is hereby declared to be an essential war agency and entitled, second only to the War and Navy Departments, to priorities in personnel, equipment, supplies, and material under any laws, Executive orders, and regulations pertaining to priorities, and in appointments of personnel from civil-service registers the Administrator of Veterans' Affairs is hereby granted the same authority and discretion as the War and Navy Departments and the United States Public Health Service: Provided, That the provisions of this section as to priorities for materials shall apply to any State institution to be built for the care or hospitalization of veterans.

The Administrator is authorized, for the purpose of extending benefits to veterans and dependents, and to the extent he deems necessary, to procure the necessary space for administrative, clinical, medical, and out-patient treatment purposes by lease, purchase, or construction of buildings, or by condemnation or declaration of taking, pursuant to existing statutes.

SEC. 101. The Administrator of Veterans' Affairs and the Federal Board of Hospitalization are hereby authorized and directed to expedite and complete the construction of additional hospital facilities for war veterans, and to enter into agreements and contracts for the use by or transfer to the Veterans' Administration of suitable Army and Navy hospitals after termination of hostilities in the present war or after such institutions are no longer needed by the armed services; and the Administrator of Veterans' Affairs is hereby authorized and directed to establish necessary regional offices, sub-offices, branch offices, contact units, or other subordinate offices in centers of population where there is no Veterans' Administration facility, or where such a facility is not readily available or accessible: Provided, That there is hereby authorized to be appropriated the sum of \$500,000,000 for the construction of additional hospital facilities.

SEC. 102. The Administrator of Veterans' Affairs and the Secretary of War and Secretary of the Navy are hereby granted authority to enter into agreements and contracts for the mutual use or exchange of use of hospital and domiciliary facilities, and such supplies, equipment, and material as may be needed to operate properly such facilities, or for the transfer, without reimbursement of appropriations, of facilities, supplies, equipment, or material necessary and proper for authorized care for veterans, except that at no time shall the Administrator of Veterans' Affairs enter into any agreement which will result in a permanent reduction of Veterans' Administration hospital and domiciliary beds below the number now established or approved, plus the estimated number required to meet the load of eligibles under laws administered by the Veterans' Administration, or in any way subordinate or transfer the operation of the Veterans' Administration to any other agency of the Government.



Nothing in the Selective Training and Service Act of 1940, as amended, or any other Act, shall be construed to prevent the transfer or detail of any commissioned, appointed or enlisted personnel from the armed forces to the Veterans' Administration subject to agreements between the Secretary of War or the Secretary of the Navy and the Administrator of Veterans' Affairs: Provided, That no such detail shall be made or extended beyond six months after the termination of the war.

SEC. 103. The Administrator of Veterans' Affairs shall have authority to place officials and employees designated by him in such Army and Navy installations as may be deemed advisable for the purpose of adjudicating disability claims of, and giving aid and advice to, members of the Army and Navy who are about to be discharged or released from active service.

SEC. 104. No person shall be discharged or released from active duty in the armed forces until his certificate of discharge or release from active duty and final pay, or a substantial portion thereof, are ready for delivery to him or to his next of kin or legal representative; and no person shall be discharged or released from active service on account of disability until and unless he has executed a claim for compensation, pension, or hospitalization, to be filed with the Veterans' Administration or has signed a statement that he has had explained to him the right to file such claim: Provided, That this section shall not preclude immediate transfer to a veterans' facility for necessary hospital care, nor preclude the discharge of any person who refuses to sign such claim or statement: And provided further, That refusal or failure to file a claim shall be without prejudice to any right the veteran may subsequently assert.

Any veteran entitled to a prosthetic appliance shall be furnished such fitting and training, including institutional training, in the use of such appliance as may be necessary, whether in a Veterans' Administration facility, other training institution, or by out-patient treatment, including such service under contract and including necessary travel expenses to and from their homes to such hospital or training institution.

The Administrator may procure any and all items mentioned herein, including necessary services required in the fitting, supplying, and training in use of such items by purchase, manufacture, contract, or in such other manner as the Administrator may determine to be proper without regard to any other provision of law.

SEC. 105. No person in the armed forces shall be required to sign a statement of any nature relating to the origin, incurrence, or aggravation of any disease or injury he may have, and any such statement against his own interest signed at any time, shall be null and void and of no force and effect.

## CHAPTER II -- AID BY VETERANS' ORGANIZATIONS

SEC. 200. (a) That upon certification to the Secretary of War or Secretary of the Navy by the Administrator of Veterans' Affairs of paid full time accredited representatives of the veterans' organizations specified in section 200 of the Act of June 29, 1936 (Public Law Numbered 844, Seventy-fourth Congress); and other such national organizations recognized by the Administrator of Veterans' Affairs thereunder in the presentation of claims under laws administered by the Veterans' Administration, the Secretary of War and Secretary of the Navy are hereby authorized and directed to permit the functioning in accordance with regulations prescribed pursuant to subsection (b) of this section, of such accredited representatives in military or naval installations on shore from which persons are discharged



or released from the active military or naval service: Provided, That nothing in this section shall operate to affect measures of military security now in effect or which may hereafter be placed in effect, nor to prejudice the right of the American Red Cross to recognition under existing statutes.

(b) The necessary regulations shall be promulgated by the Secretary of War and the Secretary of the Navy jointly with the Administrator of Veterans' Affairs to accomplish the purpose of this section, and in the preparation of such regulations the national officer of each of such veterans' organizations who is responsible for claims and rehabilitation activities shall be consulted. The commanding officer of each such military or naval installation shall cooperate fully with such authorized representatives in the providing of available space and equipment for such representatives.

(c) The Administrator is further authorized at his discretion and under such regulations as he may prescribe to furnish, if available, necessary space and suitable office facilities for the use of paid full-time representatives of such organizations.

### CHAPTER III -- REVIEWING AUTHORITY

SEC. 300. The discharge ~~or~~ dismissal by reason of the sentence of a general court martial of any person from the military or naval forces, or the discharge of any such person on the ground that he was a conscientious objector who refused to perform military duty or refused to wear the uniform or otherwise to comply with lawful orders of competent military authority, or as a deserter, or of an officer by the acceptance of his resignation for the good of the service, shall bar all rights of such person, based upon the period of service from which he is so discharged or dismissed, under any laws administered by the Veterans' Administration: Provided, That in the case of any such person, if it be established to the satisfaction of the Administrator that at the time of the commission of the offense such person was insane, he shall not be precluded from benefits to which he is otherwise entitled under the laws administered by the Veterans' Administration: And provided further, That this section shall not apply to any war risk, Government (converted) or national service life-insurance policy.

SEC. 301. The Secretary of War and the Secretary of the Navy, after conference with the Administrator of Veterans' Affairs, are authorized and directed to establish in the War and Navy Departments, respectively, boards of review composed of five members each, whose duties shall be to review, on their own motion or upon the request of a former officer or enlisted man or woman or, if deceased, by the surviving spouse, next of kin, or legal representative, the type and nature of his discharge or dismissal, except a discharge or dismissal by reason of the sentence of a general court martial. Such review shall be based upon all available records of the service department relating to the person requesting such review, and such other evidence as may be presented by such person. Witnesses shall be permitted to present testimony either in person or by affidavit and the person requesting review shall be allowed to appear before such board in person or by counsel: Provided, That the term "counsel" as used in this section shall be construed to include, among others, accredited representatives of veterans' organizations recognized by the Veterans' Administration under section 200 of the Act of June 29, 1936 (Public Law Numbered 844, Seventy-fourth Congress). Such board shall have authority, except in the case of a discharge or dismissal by reason of the sentence of a general court martial, to change, correct, or modify any discharge or dismissal, and to



issue a new discharge in accord with the facts presented to the board. The Article of War and the Articles for the Government of the Navy are hereby amended to authorize the Secretary of War and the Secretary of the Navy to establish such boards of review, the findings thereof to be final subject only to review by the Secretary of War or the Secretary of the Navy, respectively: Provided, That no request for review by such board of a discharge or dismissal under the provisions of this section shall be valid unless filed within fifteen years after such discharge or dismissal or within fifteen years after the effective date of this Act whichever be the later.

SEC. 302. (a) The Secretary of War, the Secretary of the Navy, and the Secretary of the Treasury are authorized and directed to establish, from time to time, boards of review composed of five commissioned officers, two of whom shall be selected from the Medical Corps of the Army or Navy, or from the Public Health Service, as the case may be. It shall be the duty of any such board to review, at the request of any officer retired or released from active service, without pay, for physical disability pursuant to the decision of a retiring board, board of medical survey, or disposition board, the findings and decisions of such board. Such review shall be based upon all available service records relating to the officer requesting such review, and such evidence as may be presented by such officer. Witnesses shall be permitted to present testimony either in person or by affidavit, and the officer requesting review shall be allowed to appear before such board of review in person or by counsel. In carrying out its duties under this section such board of review shall have the same powers as exercised by, or vested in, the board whose findings and decision are being reviewed. The proceedings and decision of each such board of review affirming or reversing the decision of any such retiring board, board of medical survey, or disposition board shall be transmitted to the Secretary of War, the Secretary of the Navy, or the Secretary of the Treasury, as the case may be, and shall be laid by him before the President for his approval or disapproval and orders in the case.

(b) No request for review under this section shall be valid unless filed within fifteen years after the date of retirement for disability or after the effective date of this Act, whichever is the later.

(c) As used in this section--

- (1) the term "officer" means any officer subject to the laws granting retirement for active service in the Army, Navy, Marine Corps, or Coast Guard, or any of their respective components;
- (2) the term "counsel" shall have the same meaning as when used in section 301 of this Act.

## T I T L E II

### CHAPTER IV -- EDUCATION OF VETERANS

SEC. 400. (a) Subsection (f) of section 1, title I, Public Law Numbered 2, Seventy-third Congress, added by the Act of March 24, 1943 (Public Law Numbered 16, Seventy-eighth Congress), is hereby amended to read as follows:

"(f) Any person who served in the active military or naval forces on or after September 16, 1940, and prior to the termination of hostilities in the present war, shall be entitled to vocational rehabilitation subject to the provisions and limitations of Veterans Regulation Numbered 1 (a), as amended, part VII, or to education or training subject to the provisions and limitations of part VIII."



(b) Veterans Regulation Numbered 1 (a), is hereby amended by adding a new part VIII as follows:

"PART VIII

"1. Any person who served in the active military or naval service on or after September 16, 1940, and prior to the termination of the present war, and who shall have been discharged or released therefrom under conditions other than dishonorable, and who either shall have served ninety days or more, exclusive of any period he was assigned for a course of education or training under the Army specialized training program or the Navy college training program, which course was a continuation of his civilian course and was pursued to completion, or as a cadet or midshipman at one of the service academies, or shall have been discharged or released from active service by reason of an actual service-incurred injury or disability, shall be eligible for and entitled to receive education or training under this part: Provided, That such course shall be initiated not later than four years after either the date of his discharge or the termination of the present war, whichever is the later: Provided further, That no such education or training shall be afforded beyond nine years after the termination of the present war."

"2. Any such eligible person shall be entitled to education or training at an approved educational or training institution for a period of one year plus the time such person was in the active service on or after September 16, 1940, and before the termination of the war, exclusive of any period he was assigned for a course of education or training under the Army specialized training program or the Navy college training program, which course was a continuation of his civilian course and was pursued to completion, or as a cadet or midshipman at one of the service academies, but in no event shall the total period of education or training exceed four years: Provided, That his work continues to be satisfactory throughout the period, according to the regularly prescribed standards and practices of the institution: Provided further, That wherever the period of eligibility ends during a quarter or semester and after a major part of such quarter or semester has expired, such period shall be extended to the termination of such unexpired quarter or semester."

"3. (a) Such person shall be eligible for and entitled to such course of education or training, full time or the equivalent thereof in part-time training, as he may elect, and at any approved educational or training institution at which he chooses to enroll, whether or not located in the State in which he resides, which will accept or retain him as a student or trainee in any field or branch of knowledge which such institution finds him qualified to undertake or pursue: Provided, That, for reasons satisfactory to the Administrator, he may change a course of instruction: And provided further, That any such course of education or training may be discontinued at any time, if it is found by the Administrator that, according to the regularly prescribed standards and practices of the institution, the conduct or progress of such person is unsatisfactory.

"(b) Any such eligible person may apply for a short, intensive postgraduate, or training course of less than thirty weeks: Provided, That the Administrator shall have the authority to contract with approved institutions for such courses if he finds that the agreed cost of such courses is reasonable and fair: Provided further, That (1) the limitation of paragraph 5 shall not prevent the payment of such agreed rates, but there shall be charged against the veteran's period of eligibility the proportion of an ordinary school year which the cost of the course bears to \$500, and (2) not in excess of \$500 shall be paid for any such course.



"(c) Any such eligible person may apply for a course of instruction by correspondence without any subsistence allowance: Provided, That the Administrator shall have authority to contract with approved institutions for such courses if he finds that the agreed cost of such courses is reasonable and fair: Provided further, (1) That the provisions of paragraph 5 shall not apply to correspondence courses; (2) that one-fourth of the elapsed time in following such course shall be charged against the veteran's period of eligibility; and (3) that the total amount payable for a correspondence course or courses for any veteran shall not exceed \$500: And provided further, That nothing herein shall be construed to preclude the use of approved correspondence courses as a part of institutional or job training, subject to regulations prescribed by the Administrator."

"4. From time to time the Administrator shall secure from the appropriate agency of each State a list of the educational and training institutions (including industrial establishments), within such jurisdiction, which are qualified and equipped to furnish education or training (including apprenticeship and refresher or retraining training), which institutions, together with such additional ones as may be recognized and approved by the Administrator, shall be deemed qualified and approved to furnish education or training to such persons as shall enroll under this part: Provided, That wherever there are established State apprenticeship agencies expressly charged by State laws to administer apprentice training, whenever possible, the Administrator shall utilize such existing facilities and services in training on the job when such training is of one year's duration or more.

"5. The Administrator shall pay to the educational or training institution, for each person enrolled in full time or part time course of education or training, the customary cost of tuition, and such laboratory, library, health, infirmary, and other similar fees as are customarily charged, and may pay for books, supplies, equipment, and other necessary expenses, exclusive of board, lodging, other living expenses, and travel, as are generally required for the successful pursuit and completion of the course by other students in the institution: Provided, That in no event shall such payments, with respect to any person, exceed \$500 for an ordinary school year unless the veteran elects to have such customary charges paid in excess of such limitation, in which event there shall be charged against his period of eligibility the proportion of an ordinary school year which such excess bears to \$500: Provided further, That no payments shall be made to institutions, business or other establishments furnishing apprentice training on the job: And provided further, That any institution may apply to the Administrator for an adjustment of tuition and the Administrator, if he finds that the customary tuition charges are insufficient to permit the institution to furnish education or training to eligible veterans, or inadequate compensation therefor, may provide for the payment of such fair and reasonable compensation as will not exceed the estimated cost of teaching personnel and supplies for instruction; and may in like manner readjust such payments from time to time."

"6. While enrolled in and pursuing a course under this part, such person, upon application to the Administrator, shall be paid a subsistence allowance of \$65 per month, if without a dependent or dependents, or \$90 per month, if he has a dependent or dependents, including regular holidays and leave not exceeding thirty days in a calendar year." \*



"7. Any such person eligible for the benefits of this part, who is also eligible for the benefit of part VII, may elect either benefit or may be provided an approved combination of such courses: Provided, That the total period of any such combined courses shall not exceed the maximum period or limitations under the part affording the greater period of eligibility."

"8. No department, agency, or officer of the United States, in carrying out the provisions of this part, shall exercise any supervision or control, whatsoever, over any State educational agency, or State apprenticeship agency, or any educational or training institution: Provided, That nothing in this section shall be deemed to prevent any department, agency, or officer of the United States from exercising any supervision or control which such department, agency, or officer is authorized, by existing provisions of law, to exercise over any Federal educational or training institution, or to prevent the furnishing of education or training under this part in any institution over which supervision or control is exercised by such other department, agency, or officer under authority of existing provisions of law.

"9. The Administrator of Veterans' Affairs is authorized and empowered to administer this title, and, insofar as he deems practicable, shall utilize existing facilities and services of Federal and State departments and agencies on the basis of mutual agreements with them. Consistent with and subject to the provisions and limitations set forth in this title, the Administrator shall, from time to time, prescribe and promulgate such rules and regulations as may be necessary to carry out its purposes and provisions.

"10. The Administrator may arrange for educational and vocational guidance to persons eligible for education and training under this part. At such intervals as he deems necessary, he shall make available information respecting the need for general education and for trained personnel in the various crafts, trades, and professions: Provided, That facilities of other Federal agencies collecting such information shall be utilized to the extent he deems practicable.

"11. As used in this part, the term 'educational or training institutions' shall include all public or private elementary, secondary, and other schools furnishing education for adults, business schools and colleges, scientific and technical institutions, colleges, vocational schools, junior colleges, teachers colleges, normal schools, professional schools, universities, and other educational institutions, and shall also include business or other establishments providing apprentice or other training on the job, including those under the supervision of an approved college or university or any State department of education, or any State apprenticeship agency or State board of vocational education, or any State apprenticeship council or the Federal Apprentice Training Service established in accordance with Public, Numbered 308, Seventy-fifth Congress, or any agency in the executive branch of the Federal Government authorized under other laws to supervise such training."

SEC. 401. Section 3, Public Law Numbered 16, Seventy-eighth Congress, is hereby amended to read as follows:

SEC. 3. The appropriation for the Veterans' Administration, 'Salaries and expenses, medical and hospital, and compensation and pensions', shall be available for necessary expenses under part VII, as amended, or part VIII of Veterans Regulation Numbered 1 (a), and there is hereby authorized to be appropriated such



additional amount or amounts as may be necessary to accomplish the purposes thereof. Such expenses may include, subject to regulations issued by the Administrator and in addition to medical care, treatment, hospitalization, and prosthesis, otherwise authorized, such care, treatment, and supplies as may be necessary to accomplish the purposes of part VII, as amended, or part VIII of Veterans Regulation Numbered 1 (a)."

SEC. 402. Public Law Numbered 16, Seventy-eighth Congress, is hereby amended by adding thereto a new section 4 to read as follows:

"SEC. 4. Any books, supplies, or equipment furnished a trainee or student under part VII or part VIII of Veterans Regulation Numbered 1 (a) shall be deemed released to him: Provided, That if he fail, because of fault on his part to complete the course of training or education afforded thereunder, he may be required, in the discretion of the Administrator, to return any or all of such books, supplies, or equipment not actually expended or to repay the reasonable value thereof: Provided further, That returned books, supplies, or equipment may be turned in to educational or training institutions for credit under such terms as may be approved by the Administrator, or disposed of in such other manner as may be approved by the Administrator."

SEC. 403. Paragraph 1, part VII, Veterans Regulation Numbered 1 (a) (Public Law Numbered 16, Seventy-eighth Congress), is hereby amended by inserting after the word "time" the words "on or" and deleting the date "December 6, 1941" and substituting therefor the date "September 16, 1940":

Sec. 7 of the Act of December 28, 1945 (a) The provision in paragraph 1 of Part VII of Veterans' Regulations 1(a), as amended, is amended to read as follows: Provided, That no course of training in excess of a period of four years shall be approved except with the approval of the Administrator, nor shall any training under this part be afforded beyond nine years after the termination of the present war." (b) Effective January 1, 1946, paragraph 3 of part VII of Veterans Regulation Numbered 1 (a), as amended, is amended to read as follows:

"3. While pursuing training prescribed herein, and for two months after his employability is determined, each veteran shall be paid the amount of subsistence allowance specified in paragraph 6 of part VIII of Veterans Regulation Numbered 1 (a), as amended: Provided, That the minimum payment of such allowance, plus any pension or other benefit, shall be, for a person without a dependent, \$105 per month; and for a person with a dependent, \$115, plus the following amounts for additional dependent: (1) \$10 for one child and \$7 additional for each additional child, and (2) \$15 for a dependent parent: Provided further, That the rates set out herein shall not be subject to the increases authorized by Public Law Numbered 312, Seventy-eighth Congress, approved May 27, 1944: And provided further, That when the course of vocational rehabilitation furnished to any person as herein provided consists of training on the job by an employer, such employer shall be required to submit monthly to the Administrator a statement in writing showing any wage, compensation, or other income paid by him to such person during the month, directly or indirectly, and based upon such written statements, the Administrator is authorized to reduce the subsistence allowance of such person to an amount considered equitable and just."



TITLE III -- LOANS FOR THE PURCHASE OR CONSTRUCTION OF HOMES, FARMS, AND BUSINESS PROPERTY

"CHAPTER V -- GENERAL PROVISIONS FOR LOANS

SEC. 500. (a) Any person who shall have served in the active military or naval service of the United States at any time on or after September 16, 1940, and prior to the termination of the present war and who shall have been discharged or released therefrom under conditions other than dishonorable after active service of ninety days or more, or by reason of an injury or disability incurred in service in line of duty, shall be eligible for the benefits of this title. Any loan made by such veteran within ten years after the termination of the war for any of the purposes, and in compliance with the provisions, specified in this title, is automatically guaranteed by the Government by this title in an amount not exceeding fifty per centum of the loan: Provided, That the aggregate amount guaranteed shall not exceed \$2,000 in the case of non-real-estate loans, nor \$4,000 in the case of real-estate loans; or a prorated portion thereof on loans of both types or combination thereof.

(b) Loans guaranteed under this title shall be payable under such terms and conditions as may be agreed upon by the parties thereto, subject to the conditions and limitations of this title and the regulations issued pursuant to section 504: Provided, That the liability under the guaranty within the limitations of this title shall decrease or increase pro rata with any decrease or increase of the amount of the unpaid portion of the obligation: Provided further, That loans guaranteed under this title shall bear interest at a rate not exceeding 4 per centum per annum and shall be payable in full in not more than twenty-five years, or in the case of loans on farm realty in not more than forty years: And provided further, That (1) the maturity on a non-real-estate loan shall not exceed ten years; (2) any loan for a term in excess of five years shall be amortized in accordance with established procedure; (3) except as provided in section 505 any real-estate loan, other than for repairs, alterations or improvements, shall be secured by a first lien on the realty, and a non-real-estate loan, except as to working or other capital, merchandise, good-will and other intangible assets, shall be secured by personalty to the extent legal and practicable.

(c) An honorable discharge shall be deemed a certificate of eligibility to apply for a guaranteed loan. Any veteran who does not have a discharge certificate, or who received a discharge other than honorable, may apply to the Administrator for a certificate of eligibility. Upon making a loan as provided herein, the lender shall forthwith transmit to the Administrator a statement setting forth the full name and serial number of the veteran, amount and terms of the loan, and the legal description of the property, together with the appraisal report made by the designated appraiser. Where the loan is automatically guaranteed, the Administrator shall provide the lender with a loan guaranty certificate or other evidence of the guaranty. He shall also endorse on the veteran's discharge, or eligibility certificate, the amount and type of guaranty used, and the amount, if any, remaining. An amount equivalent to 4 per centum on the amount originally guaranteed shall be paid to the lender by the Administrator out of available appropriations, to be credited upon the loan. Nothing herein shall be deemed to preclude the assignment of any guaranteed loan nor the assignment of the security therefor.

(d) Loans guaranteed hereunder may be made by any Federal land bank, national bank, State bank, private bank, building and loan association, insurance company, credit union, or mortgage and loan company, that is subject to examination and

supervision by an agency of the United States or of any State or Territory, including the District of Columbia. Any loan at least 20 per centum of which is guaranteed under this title may be made by any national bank, or Federal savings and loan association; or by any bank, trust company, building and loan association or insurance company organized or authorized to do business in the District of Columbia; without regard to the limitations and restrictions of any other statute with respect to--

- (1) ratio of amount of loan to the value of the property;
- (2) maturity of loan;
- (3) requirement for mortgage or other security;
- (4) dignity of lien; or
- (5) percentage of assets which may be invested in real estate loans.

(e) Any loan proposed to be made to an eligible veteran by any lender not of a class specified in subsection (d) may be guaranteed by the Administrator if he finds that it is in accord otherwise with the provisions of this title, as amended.

#### "PURCHASE OR CONSTRUCTION OF HOMES

SEC. 501. Any loan made to a veteran under this title, the proceeds of which are to be used for purchasing residential property or constructing a dwelling to be occupied as his home or for the purpose of making repairs, alterations, or improvements in property owned by him and occupied as his home, is automatically guaranteed if made pursuant to the provisions of this title, including the following:

- (1) That the proceeds of such loan will be used for payment of the property purchased or constructed or improved;
- (2) That the contemplated terms of payment required in any mortgage to be given in part payment of the purchase price or the construction cost bear a proper relation to the veteran's present and anticipated income and expenses; and that the nature and condition of the property is such as to be suitable for dwelling purposes; and
- (3) That the price paid or to be paid by the veteran for such property or for the cost of construction, repairs, or alterations does not exceed the reasonable value thereof as determined by proper appraisal made by an appraiser designated by the Administrator.

#### PURCHASE OF FARMS AND FARM EQUIPMENT

SEC. 502. Any loan made to a veteran under this title, the proceeds of which are to be used for purchasing any lands, buildings, livestock, equipment, machinery, supplies or implements, or for repairing, altering, constructing or improving any land, equipment, or building, including the farmhouse, to be used in farming operations conducted by the veteran involving production in excess of his own needs, or for working capital requirements necessary for such operations, or to purchase stock in a cooperative association where the purchase of such stock is required by Federal statute as an incident to obtaining the loan, is automatically guaranteed if made pursuant to the provisions of this title, including the following:

- (1) That the proceeds of such loan will be used for any such purposes in connection with bona fide farming operations conducted by the applicant;
- (2) That such property will be useful in and reasonably necessary for efficiently conducting such operations;



(3) That the ability and experience of the veteran, and the nature of the proposed farming operations to be conducted by him, are such that there is a reasonable likelihood that such operations will be successful; and

(4) That the purchase price paid or to be paid by the veteran for such property does not exceed the reasonable value thereof as determined by proper appraisal made by an appraiser designated by the Administrator.

#### PURCHASE OF BUSINESS PROPERTY

SEC. 503. Any loan made to a veteran under this title, the proceeds of which are to be used for the purpose of engaging in business or pursuing a gainful occupation, or for the cost of acquiring for such purpose land, buildings, supplies, equipment, machinery, tools, inventory, stock in trade, or for the cost of the construction, repair, alteration or improvement of any realty or personalty used for such purpose, or to provide the funds needed for working capital, is automatically guaranteed if made pursuant to the provisions of this title, including the following:

(1) That the proceeds of such loan will be used for any of the specified purposes in connection with bona fide pursuit of gainful occupation by the veteran;

(2) That such property will be useful in and reasonably necessary for the efficient and successful pursuit of such business or occupation;

(3) That the ability and experience of the veteran, and the conditions under which he proposes to pursue such business or occupation, are such that there is a reasonable likelihood that he will be successful in the pursuit of such business or occupation; and

(4) That the purchase price paid or to be paid by the veteran for such property, or the cost of such construction, alterations, or improvements, does not exceed the reasonable value thereof as determined by proper appraisal made by an appraiser designated by the Administrator.

#### REGULATIONS

SEC. 504. The Administrator is authorized to promulgate such rules and regulations not inconsistent with this title, as amended, as are necessary and appropriate for carrying out the provisions of this title, and may delegate to subordinate employees authority to issue certificates, or other evidence, of guaranty of loans guaranteed under the provisions of this title, and to exercise other administrative functions hereunder.

#### SECONDARY LOANS

SEC. 505. (a) In any case wherein a principal loan, for any of the purposes stated in section 501, 502, or 503, is approved by a Federal agency to be made or guaranteed or insured by it pursuant to applicable law and regulations, and the veteran is in need of a second loan to cover the remainder of the purchase price or cost, or a part thereof, the Administrator, subject otherwise to the provisions of this title, may guarantee the full amount of the second loan: Provided, That such second loan shall not exceed 20 per centum of the purchase price or cost: And provided further, That regulations to be promulgated jointly by the Administrator and the head of such agency may provide for servicing of both loans by such agency and for refinancing of the principal loan to include any unpaid portion of the secondary loan with accrued interest, if any, after the curtailment thereon equals twice the amount of the secondary loan.

(b) Any person who is a veteran eligible for the benefits of this title, as provided in section 500 hereof, and who is found by the Secretary of Agriculture, by reason of his ability and experience, including training as a vocational trainee, to be likely to carry out successfully undertakings required of him under a loan which may be made under the Bankhead-Jones Farm Tenant Act, shall be eligible for the benefits of such Act to the same extent as if he were a farm tenant.

#### "PROCEDURE ON DEFAULT

SEC. 506. In the event of default in the payment of any loan guaranteed under this title, the holder of the obligation shall notify the Administrator who shall thereupon pay to such holder the guaranty not in excess of the pro rata portion of the amount originally guaranteed, and shall be subrogated to the rights of the holder of the obligation to the extent of the amount paid on the guaranty: Provided, That prior to suit or foreclosure the holder of the obligation shall notify the Administrator of the default, and within thirty days thereafter the Administrator may, at his option, pay the holder of the obligation the unpaid balance of the obligation plus accrued interest and receive an assignment of the loan and security: Provided further, That (1) nothing herein shall be construed to preclude any forbearance for the benefit of the veteran as may be agreed upon by the parties to the loan and approved by the Administrator; and (2) the Administrator may establish the date, not later than the date of judgment and decree of foreclosure or sale, upon which accrual of interest or charges shall cease.

#### LOANS ON DELINQUENT INDEBTEDNESS

SEC. 507. Any loan made to a veteran, the proceeds of which are to be used to refinance any indebtedness of the veteran which is secured of record on property to be used or occupied by the veteran as a home or for farming purposes, or indebtedness incurred by him in the pursuit of a gainful occupation which he is pursuing or which he proposes in good faith to pursue, or any delinquent taxes or assessments on such property or business, is automatically guaranteed if made pursuant to the provisions of this title, including the following:

- (1) Such loan became in default or the delinquency occurred not later than ten years after the termination of the war;
- (2) Such refinancing will aid the veteran in his economic readjustment; and
- (3) The amount of the guaranteed loan does not exceed the reasonable value of the property or business, as determined by proper appraisal made by an appraiser designated by the Administrator.

#### INSURANCE OF LOANS

SEC. 508. (a) Any loans which might be guaranteed under the provisions of this title, when made or purchased by any financial institution subject to examination and supervision by an agency of the United States or of any State or Territory, including the District of Columbia, may, in lieu of such guaranty, be insured by the Administrator under an agreement whereby he will reimburse any such institution for losses incurred on such loan up to 15 per centum of the aggregate of loans so made or purchased by it.

(b) Loans insured hereunder shall be made on such other terms, conditions, and restrictions as the Administrator may prescribe within the limitations set forth in this title. The Administrator may fix the maximum rate of interest



payable on any class of non-real-estate loans insured hereunder at a figure not in excess of a 3 per centum discount rate or an equivalent straight interest rate on non-amortized loans.

(c) The Administrator shall pay the same amount on each loan insured hereunder as he would be required to pay under the sixth sentence of section 500 (c) hereof if the loan were guaranteed rather than insured.

#### POWERS OF ADMINISTRATOR

SEC. 509. (a) With respect to matters arising by reason of this title as now or hereafter amended and, notwithstanding the provisions of any other law, the Administrator may--

(1) Sue and be sued in his official capacity in any court of competent jurisdiction, State or Federal;

(2) Subject to specific limitations in this Act, consent to the modification, with respect to rate of interest, time of payment of principal or interest or any portion thereof, security or other provisions of any note, contract, mortgage or other instrument securing a loan which has been guaranteed or insured hereunder;

(3) Pay, or compromise, any claim on, or arising because of, any such guaranty or insurance;

(4) Pay, compromise, waive or release any right, title, claim, lien or demand, however acquired, including any equity or any right of redemption;

(5) Purchase at any sale, public or private, upon such terms and for such prices as he determines to be reasonable, and take title to, property, real, personal or mixed; and similarly sell, at public or private sale, exchange, assign, convey, or otherwise dispose of any such property; and

(6) Complete, administer, operate, obtain and pay for insurance on, and maintain, renovate, repair, modernize, lease, or otherwise deal with any property acquired or held pursuant to this title: Provided, That the acquisition of any such property shall not deprive any State or political subdivision thereof of its civil or criminal jurisdiction of, on, or over such property (including power to tax) or impair the rights under the State or local law of any persons on such property.

(b) The powers by this section granted may be exercised by the Administrator without regard to any other provisions of law not enacted expressly in limitation hereof, which otherwise would govern the expenditure of public funds: Provided, That section 3709 of the Revised Statutes shall apply to any contract for services or supplies on account of any property acquired pursuant to this section if the amount of such contract exceeds \$1,000.

(c) The financial transactions of the Administrator incident to, or arising out of, the guaranty of loans pursuant to this title, and the acquisition, management, and disposition of property, real, personal or mixed, as incident to such activities and pursuant to this section, shall be final and conclusive upon all officers of the Government.

#### EFFECTIVE DATE

SEC. 510. This title, as amended, shall be effective from the date of enactment: Provided, That any application for guaranty of a loan filed within ninety days after such date may be approved under the title as it existed prior to

amendment: And provided further, That nothing herein shall be construed to affect any contractual right under any certificate of guaranty issued thereunder."

#### T I T L E   I V

#### CHAPTER VI -- EMPLOYMENT OF VETERANS

SEC. 600. (a) In the enactment of the provisions of this title Congress declares as its intent and purpose that there shall be an effective job counseling and employment placement service for veterans, and that, to this end, policies shall be promulgated and administered, so as to provide for them the maximum of job opportunity in the field of gainful employment. For the purpose there is hereby created to cooperate with and assist the United States Employment Service, as established by the provisions of the Act of June 6, 1933, a Veterans' Placement Service Board, which shall consist of the Administrator of Veterans' Affairs, as Chairman, the Director of the National Selective Service System, and the Administrator of the Federal Security Agency, or whoever may have the responsibility of administering the functions of the United States Employment Service. The Board shall determine all matters of policy relating to the administration of the Veterans' Employment Service of the United States Employment Service.

(b) The Chairman of the Board shall have direct authority and responsibility for carrying out its policies through the veterans' employment representatives in the several States or through persons engaged in activities authorized by subsection (g) of section 8 of the Selective Service Act of 1940 (Public Law 783, Seventy-sixth Congress, approved September 16, 1940, as amended (U. S. C., title 50, sec. 308)). The Chairman may delegate such authority to an executive secretary who shall be appointed by him and who shall thereupon be the Chief of the Veterans' Employment Service of the United States Employment Service.

(c) The public records of the Veterans' Personnel Division, National Selective Service System, and the Veterans' Employment Service of the United States Employment Service shall be available to the Board.

SEC. 601. The United States Employment Service shall assign to each of the States a veterans' employment representative, who shall be a veteran of the wars of the United States separated from active service under honorable conditions, who at the time of appointment shall have been a bona fide resident of the State for at least two years, and who shall be appointed, subject to the approval of the Board, in accordance with the civil-service laws, and whose compensation shall be fixed in accordance with the Classification Act of 1923, as amended. Each such veterans' employment representative shall be attached to the staff of the public employment service in the State to which he has been assigned. He shall be administratively responsible to the Board, through its executive secretary, for the execution of the Board's veterans' placement policies through the public employment service in the State. In cooperation with the public employment service staff in the State, he shall--

(a) be functionally responsible for the supervision of the registration of veterans in local employment offices for suitable types of employment and for placement of veterans in employment;

(b) assist in securing and maintaining current information as to the various types of available employment in public works and private industry or business;

(c) promote the interest of employers in employing veterans;



(d) maintain regular contact with employers and veterans' organizations with a view of keeping employers advised of veterans available for employment and veterans advised of opportunities for employment; and

(e) assist in every possible way in improving working conditions and the advancement of employment of veterans.

SEC. 602. Where deemed necessary by the Board, there shall be assigned by the administrative head of the employment service in the State one or more employees, preferably veterans, of the staffs of local employment service offices, whose services shall be primarily devoted to discharging the duties prescribed for the veterans' employment representative.

SEC. 603. All Federal agencies shall furnish the Board such records, statistics, or information as may be deemed necessary or appropriate in administering the provisions of this title, and shall otherwise cooperate with the Board in providing continuous employment opportunities for veterans.

SEC. 604. The Federal agency administering the United States Employment Service shall maintain that service as an operating entity and, during the period of its administration, shall effectuate the provisions of this title.

SEC. 605. (a) The Board through its executive secretary shall estimate the funds necessary for the proper and efficient administration of this title; such estimated sums shall include the annual amounts necessary for salaries, rents, printing and binding, travel, and communications. Sums thus estimated shall be included as a special item in the annual budget of the United States Employment Service. Any funds appropriated pursuant to this special item as contained in the budget of the United States Employment Service shall not be available for any purpose other than that for which they were appropriated, except with the approval of the Board.

(b) The War Manpower Commission shall from its current appropriation allocate and make available sufficient funds to carry out the provisions of this title during the current fiscal year.

SEC. 606. The term "United States Employment Service" as used in this title means that Bureau created by the provisions of the Act of June 6, 1933, or such successor agencies as from time to time shall perform its functions and duties, as now performed by the War Manpower Commission.

SEC. 607. The term "veteran" as used in this title shall mean a person who served in the active service of the armed forces during a period of war in which the United States has been, or is, engaged, and who has been discharged or released therefrom under conditions other than dishonorable.

## T I T L E V

### CHAPTER VII -- READJUSTMENT ALLOWANCES FOR FORMER MEMBERS OF THE ARMED FORCES WHO ARE UNEMPLOYED

SEC. 700. (a) Any person who shall have served in the active military or naval service of the United States at any time after September 16, 1940, and prior to the termination of the present war, and who shall have been discharged or released from active service under conditions other than dishonorable, after active

service of ninety days or more, or by reason of an injury or disability incurred in service in line of duty, shall be entitled, in accordance with the provisions of this title and regulations issued by the Administrator of Veterans' Affairs pursuant thereto, to receive a readjustment allowance as provided herein for each week of unemployment, not to exceed a total of fifty-two weeks, which (1) begins after the first Sunday of the third calendar month after the date of enactment hereof, and (2) occurs not later than two years after discharge or release or the termination of the war, whichever is the later date: Provided, That no such allowance shall be paid for any period for which he receives increased pension under part VII of Veterans Regulation 1 (a) or a subsistence allowance under part VIII of such regulation: Provided further, That no readjustment allowance shall be payable for any week commencing more than five years after the termination of hostilities in the present war.

(b) Such person shall be deemed eligible to receive an allowance for any week of unemployment if claim is made for such allowance and the Administrator finds with respect to such week that--

- (1) the person is residing in the United States at the time of such claim;
- (2) the person is completely unemployed, having performed no service and received no wages, or is partially unemployed in that services have been performed for less than a full work-week and the wages for the week are less than the allowance under this title plus \$3;
- (3) the person is registered with and continues to report to a public employment office, in accordance with its regulations;
- (4) the person is able to work and available for suitable work: Provided, That no claimant shall be considered ineligible in any period of continuous unemployment for failure to comply with the provisions of this subparagraph if such failure is due to an illness or disability which occurs after the commencement of such period.

#### CHAPTER VIII -- DISQUALIFICATIONS

SEC. 800. (a) Notwithstanding the provisions of section 700, a claimant shall be disqualified from receiving an allowance if--

- (1) he leaves suitable work voluntarily, without good cause, or is suspended or discharged for misconduct in the course of employment;
- (2) he, without good cause, fails to apply for suitable work to which he has been referred by a public employment office, or to accept suitable work when offered him; or
- (3) he, without good cause, does not attend an available free training course as required by regulations issued pursuant to the provisions of this title.

(b) Notwithstanding the provisions of section 700, a claimant shall also be disqualified from receiving an allowance for any week with respect to which it is found that his unemployment is due to a stoppage of work which exists because of a labor dispute at the factory, establishment, or other premises at which he is or was last employed: Provided, That this subsection shall not apply if it is shown that--

- (1) he is not participating in or directly interested in the labor dispute which causes the stoppage of work; and
- (2) he does not belong to a grade or class of workers of which, immediately before the commencement of the stoppage there were members employed at the



premises at which the stoppage occurs, any of whom are participating in or directly interested in the dispute: Provided, however, That if in any case separate branches of work, which are commonly conducted as separate business in separate premises, are conducted in separate departments of the same premises, each such department shall, for the purposes of this subsection, be deemed to be a separate factory, establishment, or other premises.

(c) (1) If a claimant is disqualified under the provisions of subsection (a) of this section, he shall be disqualified to receive any readjustment allowance for the week in which the cause of his disqualification occurred and for not more than four immediately following weeks.

(2) In addition to the disqualification prescribed in paragraph (1) above, the Administrator may, in cases of successive disqualifications under the provisions of subsection (a) of this section, extend the period of disqualification for such additional period as the Administrator may prescribe, but not to exceed eight additional weeks in the case of any one disqualification.

(d) (1) In determining under subsection (a) of this section the suitability of work or the existence of good cause with respect to a claimant, the conditions and standards prescribed by the unemployment compensation laws of the State in which he files his claim shall govern: Provided, That the Administrator may prescribe conditions and standards for applicants in any State having no applicable statute.

(2) In determining under subsection (a) of this section the suitability of work, no work shall be deemed suitable for an individual if--

(A) the position offered is vacant due directly to a strike, lock-out, or other labor dispute; or

(B) the wages, hours, or other conditions of the work offered are substantially less favorable to him than those prevailing for similar work in the locality.

#### CHAPTER IX -- AMOUNT OF ALLOWANCE AND PAYMENT

SEC. 900. (a) The allowance for a week shall be \$20 less that part of the wages payable to him for such week which is in excess of \$3: Provided, That where the allowance is not a multiple of \$1, it shall be computed to the next highest multiple of \$1.

(b) The number of weeks of allowances to which each eligible veteran shall be entitled shall be determined as follows: For each calendar month or major fraction thereof of active service during the period stated in section 700 the veteran shall be entitled to four weeks of allowances, but in no event to exceed the maximum provided in section 700: Provided, That the allowance for the qualifying ninety days service shall be eight weeks for each such month.

SEC. 901. (a) Readjustment allowances shall be paid at the intervals prescribed by the unemployment compensation law of the State in which the claim was made: Provided, That if none are so prescribed readjustment allowances shall be paid at such reasonable intervals as may be determined by the Administrator.

(b) Any allowances remaining unpaid upon the death of a claimant shall not be considered a part of the assets of the estate of the claimant, or liable for the

payment of his debts, or subject to any administration of his estate, and the Administrator may make payment thereof to such person or persons he finds most equitably entitled thereto.

SEC. 902 (a) Any person qualified under subsection (a) of section 700, and residing in the United States who is self-employed for profit in an independent establishment, trade, business, profession, or other vocation shall be eligible for readjustment allowances under this title within the time periods applicable, and not in excess of the total amount provided in this title.

(b) Upon application by the veteran showing, in accordance with rules prescribed by the Administrator, that he has been fully engaged in such self-employment and that his net earnings in a trade, business, profession, or vocation, have been less than \$100 in the previous calendar month, the veteran shall be entitled to receive, subject to the limitations of this title as to time and amount, the difference (adjusted to the next highest multiple of \$1), between \$100 and his net earnings for such month.

(c) Payment of such allowance shall be made by the Administrator to each eligible veteran at the time and in the manner other payments are made directly to veterans by the Administrator.

(d) Subsection (b) of section 700 and section 800 shall not apply in determining the eligibility for allowances of a claimant under this section.

#### CHAPTER X -- ADJUSTMENT OF DUPLICATE BENEFITS

SEC. 1000. Where an allowance is payable to a claimant under this title and where, for the same period, either an allowance or benefit is received under any Federal or State unemployment or disability compensation law, the amount received or accrued from such other source shall be subtracted from the allowance payable under this title (except that this section shall not apply to pension, compensation, or retired pay paid by the Veterans' Administration); and the resulting allowances, if not a multiple of \$1, shall be readjusted to the next higher multiple of \$1.

#### CHAPTER XI -- ADMINISTRATION

SEC. 1100. (a) The Administrator of Veterans' Affairs is authorized to administer this title and shall, insofar as possible, utilize existing facilities and services of Federal and State departments or agencies on the basis of mutual agreements with such departments or agencies. Such agreements shall provide for the filing of claims for readjustment allowances with the Administrator through established public employment offices and State unemployment-compensation agencies. Such agencies, through agreement, shall also be utilized in the processing, adjustment, and determination of such claims and the payment of such allowances. To facilitate the carrying out of agreements with State departments or agencies and to assist in the discharge of the Administrator's duties under this title, a representative of the Administrator, who shall be a war veteran separated from active service under honorable conditions and who at the time of appointment shall have been a bona fide resident of the State for at least two years, shall be located in each participating State department or agency.

(b) The Administrator, consistent with the provisions of this title, shall prescribe such rules and regulations and require such records and reports as he



may find necessary to carry out its purposes: Provided, however, That cooperative rules and regulations relating to the performance by Federal or State departments, or agencies, of functions under agreements made therewith may be made by the Administrator after consultation and advisement with representatives of such departments or agencies.

(c) The Administrator may delegate to any officer or employee of his own or of any cooperating department or agency of the State such of his powers and duties, except that of prescribing rules and regulations, as the Administrator may consider necessary and proper to carry out the purposes of this title.

(d) Allowances paid by the cooperating State agencies shall be repaid upon certification by the Administrator. The Secretary of the Treasury, through the Division of Disbursement of the Treasury, and without the necessity of audit and settlement by the General Accounting Office, shall pay monthly to the departments, agencies, or individuals designated, the amounts so certified.

(e) The Administrator shall from time to time certify to the Secretary of the Treasury for payment in advance or otherwise such sums as he estimates to be necessary to compensate any Federal department or agency for its administrative expenses under this title. Such sums shall cover periods of no longer than six months.

(f) The Administrator shall also from time to time certify to the Social Security Board such State departments or agencies as may be participating in the administration of this title, and the amount of the administrative expense incurred or to be incurred by a State under agreements made pursuant to this section. Upon such certification the Social Security Board shall certify such amount to the Secretary of the Treasury, in addition to the amount, if any, payable by said Board under the provisions of section 302 (a) of the Social Security Act, as amended, and the additional amount so certified shall be paid to each State by the Secretary of the Treasury out of the appropriation for the Veterans' Administration.

(g) Any money paid to any cooperating agency or person, which is not used for the purpose for which it was paid shall, upon termination of the period covered by such payment or the agreement with such agency or person, be returned to the Treasury and credited to the current appropriation for carrying out the purpose of this title, or, if returned after the expiration of period covered by this title, shall be covered into the Treasury as miscellaneous receipts.

SEC. 1101. (a) No person designated by the Administrator as a certifying officer shall, in the absence of gross negligence, or intent to defraud the United States, be liable with respect to the payment of any allowance certified by him under this title.

(b) No disbursing officer shall, in the absence of gross negligence, or intent to defraud the United States, be liable with respect to any payment by him under this title if it was based upon a voucher signed by a certifying officer designated by the Administrator.

SEC. 1102. Any claimant whose claim for an allowance has been denied shall be entitled to a fair hearing before an impartial tribunal of the State agency or such other agency as may be designated by the Administrator. The representative of the Administrator located in each State shall be the final appellate authority in



regard to contested claims arising in such State, subject to review by the Administrator.

SEC. 1103. In the case of any veteran eligible under the provisions of this title who either at the time of application for the benefits herein provided is a "qualified employee" as defined in section 3 of the Railroad Unemployment Insurance Act, as amended, or was last employed prior to such application by an employer as defined in section 1 (a) of the said Act, claim may be made through an office operated by or a facility designated as a free employment office by the Railroad Retirement Board pursuant to the provisions of said Act. In such cases, the conditions and standards as to suitability of work or existence of good cause, the intervals for making claim for and payment of benefits, and the administrative and appellate procedures prescribed by or under said Act shall govern, if not in conflict with the provisions of this title, the appellate procedures being subject to final appeal to the Administrator. In such cases, a reference in this title to a cooperating State agency shall be deemed to include the Railroad Retirement Board.

#### CHAPTER XII -- DECISIONS AND PROCEDURES

SEC. 1200. The authority to issue subpoenas and provisions for invoking aid of the courts of the United States in case of disobedience thereto, to make investigations, and to administer oaths, as contained in title III of the Act of June 29, 1936 (49 Stat. 2033-34; U. S. C., title 38, secs. 131-133), shall be applicable in the administration of this title.

#### CHAPTER XIII -- PENALTIES

SEC. 1300. Any claimant who knowingly accepts an allowance to which he is not entitled shall be ineligible to receive any further allowance under this title.

SEC. 1301. (a) Whoever, for the purpose of causing an increase in any allowance authorized under this title, or for the purpose of causing any allowance to be paid where none is authorized under this title, shall make or cause to be made any false statement or representation as to any wages paid or received, or whoever makes or causes to be made any false statement of a material fact in any claim for any allowance under this title, or whoever makes or causes to be made any false statement, representation, affidavit, or document in connection with such claim, shall be guilty of a misdemeanor and upon conviction thereof shall be fined not more than \$1,000 or imprisoned for not more than one year, or both.

(b) Whoever shall obtain or receive any money, check, or allowance under this title, without being entitled thereto and with intent to defraud the United States, shall be punished by a fine of not more than \$1,000 or by imprisonment for not more than one year, or both.

#### CHAPTER XIV -- DEFINITIONS

SEC. 1400. As used in this title--

(a) The term "week" means such period or periods of seven consecutive calendar days as may be prescribed in regulations by the Administrator.

(b) The term "wages" means all remuneration for services from whatever sources, including commissions and bonuses and the cash value of all remuneration in any medium other than cash.



T I T L E VI

CHAPTER XV -- GENERAL ADMINISTRATIVE AND PENAL PROVISIONS

SEC. 1500. Except as otherwise provided in this Act, the administrative, definitive, and penal provisions under Public, Numbered 2, Seventy-third Congress, as amended, and the provisions of Public, Numbered 262, Seventy-fourth Congress, as amended (38 U.S.C. 450, 451, 454a and 556a), shall be for application under this Act. For the purpose of carrying out any of the provisions of Public, Numbered 2, as amended, and this Act, the Administrator shall have authority to accept uncompensated services, and to enter into contracts or agreements with private or public agencies, or persons, for necessary services, including personal services, as he may deem practicable.

SEC. 1501. Except as otherwise specified, the appropriations for the Veterans' Administration are hereby made available for expenditures necessary to carry out the provisions of this Act and there is hereby authorized to be appropriated such additional amounts as may be necessary to accomplish the purposes of this Act.

SEC. 1502. Wherever used in this Act, unless the context otherwise requires, the singular includes the plural; the masculine includes the feminine; the term "Administrator" means the Administrator of Veterans' Affairs; the term "United States" used geographically means the several States, Territories and possessions, and the District of Columbia; the term "State" means the several States, Territories and possessions, and the District of Columbia; and the phrases "termination of hostilities in the present war", "termination of the present war", and "termination of the war", mean termination of the war as declared by Presidential proclamation or concurrent resolution of the Congress.

SEC. 1503. A discharge or release from active service under conditions other than dishonorable shall be a prerequisite to entitlement to veterans' benefits provided by this Act or Public Law Numbered 2, Seventy-third Congress, as amended.

SEC. 1504. The Administrator shall transmit to the Congress annually a report of operations under this Act. If the Senate or the House of Representatives is not in session, such reports shall be transmitted to the Secretary of the Senate or the Clerk of the House of Representatives, as the case may be.

SEC. 1505. of the Servicemen's Readjustment Act of 1944 repealed by Sec. 9 of the Act of December 28, 1945.

SEC. 1506. Persons who served in the active military or naval service of any government allied with the United States in World War II and who at time of entrance into such active service were citizens of the United States shall, by virtue of such service, and if otherwise qualified, be entitled to the benefits of titles II, III, IV, and V of this Act or of Public Law 16, Seventy-eighth Congress, in the same manner and to the same extent as persons who served in the active military or naval service of the United States: Provided, That any such benefit shall not be extended to any person who is not a resident of the United States at time of filing claim or to any person who has applied for and received the same or similar benefit from the government of the nation in whose active military or naval service he served.

SEC. 1507. Notwithstanding the provisions of section 1503, any person while on terminal leave, or while hospitalized pending final discharge, may be afforded the benefits of titles II and III of this Act, or vocational rehabilitation training under Public Law 16, Seventy-eighth Congress, as amended, subject to all conditions thereof except actual discharge: Provided, That no subsistence allowance shall be paid in such cases under title II of this Act or Public Law 16, Seventy-eighth Congress. This section shall be effective from June 22, 1944.

(This compilation was prepared by the Office of the Solicitor and the Office of Budget and Finance. Copies are available in the Legislative Reports and Service Section, Ext. 4654, Room 113 Adm.).